

*Government that Works!*

**NEW JERSEY DEPARTMENT OF THE TREASURY**

**LOCAL GOVERNMENT BUDGET REVIEW**

**BOROUGH OF FANWOOD**

**CHRISTINE TODD WHITMAN**  
*Governor*

**ROLAND M. MACHOLD**  
*State Treasurer*

**JANUARY, 2001**



## **GOVERNMENT THAT WORKS**

### **OPPORTUNITIES FOR CHANGE**

#### ***The Report of the Borough of Fanwood***

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

## **THE REVIEW PROCESS**

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as, employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW  
EXECUTIVE SUMMARY  
BOROUGH OF FANWOOD**

**Administration/Clerk's Office**

The team recommends the borough make every effort to ensure that all dogs and cats within the community are properly licensed, for a revenue enhancement of \$11,211.

**Insurance**

The borough should consider having its broker perform a workers' compensation risk analysis, saving \$2,423. The team also recommends that the borough consider utilizing the State's Health Benefits Plan for its health and prescription insurance, for an additional savings of \$20,000.

**Technology**

The team recommends that the borough install an Internet security software program designed to protect municipal databases and computers at a one-time expense of \$120.

The library could yield a revenue enhancement of \$2,200 by upgrading their current 13-year old copier.

By eliminating the use of directory assistance services, the borough could save \$500. The team also recommends the borough solicit reimbursement from employees for any personal calls, for a revenue enhancement of \$925.

The team recommends the borough eliminate cellular phones for emergency management and fire departments, saving \$1,013.

The team also recommends the borough reevaluate the police department's need of cellular phones, by adopting a per call reimbursement for employees using their personal cellular phones or pay phones, saving \$840.

**Grant Management**

The borough should consider investing in a software program to efficiently monitor grant expenditures at a one-time expense of \$1,500.

**Tax Assessment**

The team recommends the borough consider increasing the assessor's weekly hours to, at least, 10 per week at an annual expense of \$5,000.

**Municipal Court**

The borough should consider filing an application with the Administrative Office of the Courts to participate in the Comprehensive Enforcement Program for the collection of delinquent funds, yielding a one-time revenue enhancement of \$68,797.

**Police**

The team recommends the position of corporal be phased out of the department's organizational structure, saving \$3,000.

The team recommends the borough eliminate the current practice of utilizing patrol sergeants for dispatch and implement one of the three options outlined in the report to provide dispatching services, at an expense of \$184,120 - \$229,880.

The team also recommends the borough eliminate four patrolmen positions from the police department, saving \$306,093 in salary and benefit costs.

By eliminating the assignment of a special officer to the downtown district on Thursday evenings and creating a "park and walk" policy, the borough could save \$1,150.

The team recommends the position of detective be eliminated from the department's organization and that remaining staff be responsible for all investigations, saving \$90,922 in salary and benefits. The team also recommends the borough hire a part-time civilian to assist the operations lieutenant at an expense of \$17,500.

The borough should consider raising the cost of its resident parking permits at the railroad station, for a revenue enhancement of \$13,850.

The team recommends that the next time the borough obtains police vehicles, one of the older vehicles should be kept, to increase the police fleet to eight vehicles at an expense of \$1,247.

**Public Works**

The team recommends the borough purchase a software package to help employ a more precise method of tracking employee time and resource utilization at a one-time expense of \$1,500.

Since residents already individually contract for solid waste services, the team recommends adding bulk collection as needed, saving \$38,752.

**Downtown Revitalization**

The team supports the position of hiring a part-time person to coordinate and implement the strategic plan for the downtown area at an expense of \$10,000.

**Recreation**

The team recommends the borough determine an appropriate municipal subsidy to the recreation program and have the rest of the program costs covered by user fees, yielding a revenue enhancement of \$7,573.

**Historic Preservation**

The borough should consider soliciting all grant funding that is available for their various historic preservation projects, saving \$7,000.

## **Collective Bargaining Issues**

### *Police (PBA Local 123)*

By negotiating a vacation schedule similar to the State of New Jersey's civil service schedule, the borough could yield a potential productivity enhancement of \$50,958.

Instead of annual payments for each block of 12 credits accumulated, the team recommends the officer be paid only once and that no salary enhancement should be offered unless an officer completes, and obtains, a bachelor's or an advanced degree, potentially saving \$5,550.

### *Police and Public Works*

The team recommends the borough eliminate the practice of additional time off for birthdays, for a potential productivity enhancement of \$7,919.

By renegotiating to eliminate longevity, the borough could potentially save \$55,977. If, however, longevity remains an employee benefit, the team recommends that it be paid in fixed dollar amounts rather than as a percentage, for a potential savings of \$18,477.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,  
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN  
THE BOROUGH OF FANWOOD**

<b><u>Areas Involving Monetary Recommendations</u></b>	<b><u>One-time Savings/ Expense</u></b>	<b><u>Annual Savings/ Expense</u></b>	<b><u>*Potential Savings</u></b>	<b><u>Totals</u></b>
<b>Office of Township Clerk</b>				
Ensure all dogs and cats are properly licensed		\$11,211		<b>\$11,211</b>
<b>Insurance</b>				
Perform workers' compensation risk analysis		\$2,423		
Utilize State's Health Benefits Plan for health and prescription insurance		\$20,000		<b>\$22,423</b>
<b>Technology</b>				
Install Internet security software program	(\$120)			
Upgrade current 13-year old copy machine at the library		\$2,200		
Eliminate use of directory assistance services		\$500		
Solicit reimbursement from employees for personal calls		\$925		
Eliminate cellular phones for emergency management and fire departments		\$1,013		
Adopt per call reimbursement for police department employees		\$840		<b>\$5,358</b>
<b>Grant Management</b>				
Utilize software program to efficiently monitor grant expenditures	(\$1,500)			<b>(\$1,500)</b>
<b>Tax Assessment</b>				
Increase assessor's weekly hours to at least 10 per week		(\$5,000)		<b>(\$5,000)</b>
<b>Municipal Court</b>				
File application with AOC for the collection of delinquent funds	\$68,797			<b>\$68,797</b>
<b>Police</b>				
Eliminate corporal position in department's organizational structure		\$3,000		
Utilize civilians or a shared service agreement to provide dispatching services		(\$229,880)		

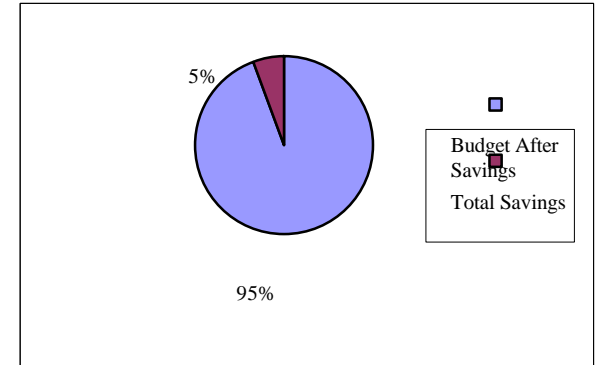
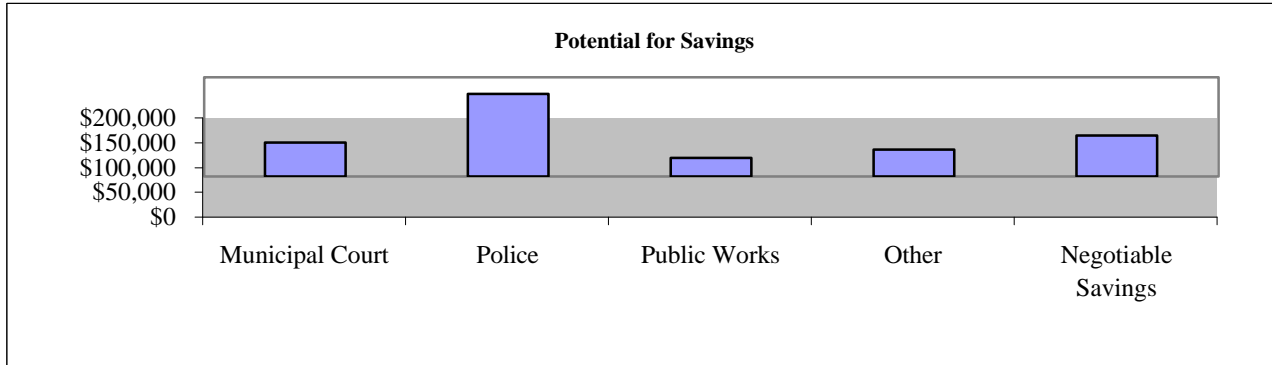
**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,  
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN  
THE BOROUGH OF FANWOOD**

<b><u>Areas Involving Monetary Recommendations</u></b>	<b><u>One-time Savings/ Expense</u></b>	<b><u>Annual Savings/ Expense</u></b>	<b><u>*Potential Savings</u></b>	<b><u>Totals</u></b>
Eliminate four patrolmen positions		\$306,093		
Eliminate special officer assignment to downtown district		\$1,150		
Eliminate detective position from the department's organization		\$90,922		
Hire a part-time civilian to assist operations lieutenant		(\$17,500)		
Raise cost of resident parking permits at the railroad station		\$13,850		
Retain one old vehicle to increase fleet to eight		(\$1,247)		
				<b>\$166,388</b>
<b>Public Works</b>				
Purchase software package to track employee time and resource utilization	(\$1,500)			
Eliminate bulk pick-up as a municipal service		\$38,752		
				<b>\$37,252</b>
<b>Downtown Revitalization</b>				
Hire a part-time person to coordinate and implement the strategic plan	(\$10,000)			
				<b>(\$10,000)</b>
<b>Recreation</b>				
Cover recreation program costs by using user fees		\$7,573		
				<b>\$7,573</b>
<b>Historic Preservation</b>				
Solicit all grant funding available for various historic preservation projects		\$7,000		
				<b>\$7,000</b>
<b>Collective Bargaining Issues</b>				
<i>Police (PBA Local 123)</i>				
Renegotiate vacation schedule using State of NJ civil service schedule			\$50,958	
Limit annual payments for each block of 12 credits to one payment			\$5,550	
<i>Police and Public Works</i>				
Eliminate practice of additional time off for birthdays			\$7,919	



# **COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE BOROUGH OF FANWOOD**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>*Potential Savings</u>	<u>Totals</u>
Renegotiate to eliminate longevity OR			\$55,977	
Pay in fixed dollar amounts rather than as a percentage			\$18,477	
<b>Total Recommended Savings</b>	<b>\$55,677</b>	<b>\$253,825</b>	<b>\$82,904</b>	<b>\$309,502</b>
*\$82,904 not included in savings of \$309,502.				
<b>Total Amount Raised for Municipal Tax</b>				<b>\$3,069,559</b>
<b>Savings as a % of Municipal Tax</b>				<b>10%</b>
<b>Total Budget</b>				<b>\$5,651,321</b>
<b>Savings as a % of Budget</b>				<b>5%</b>
<b>Total State Aid</b>				<b>\$994,702</b>
<b>Savings as a % of State Aid</b>				<b>31%</b>



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## **COMMUNITY OVERVIEW**

The Borough of Fanwood is 1 of 21 municipalities in Union County and is located approximately 30 miles from New York City. It is bordered on three sides by the Township of Scotch Plains and to the southwest by the City of Plainfield. It is approximately 1.3 square miles in area and has an estimated 1996 estimated population of 7,108. The population has decreased from 8,920 in 1970, or approximately 20%. The borough's tax base is 92.53% residential, 6.69% commercial and industrial, and less than 1% vacant.

The borough has a "home town" feel to it and it is quite apparent that the residents take great pride in their homes and their community. There is a small downtown area for residents to frequent and a railroad station that services New York City, which is located centrally within the borough's borders and across from the downtown area. Some of the borough has historic importance to the area and the borough's historic preservation commission is working towards getting buildings placed on historic registers. The Borough of Fanwood officially incorporated in 1895 after seceding from Fanwood Township, which later was renamed as the Township of Scotch Plains.

Due to it being surrounded on three sides by Scotch Plains, the borough has been, and continues to be, interested in shared service opportunities. Most notably, the borough is in a shared school district with Scotch Plains. Along with its interest in shared service opportunities, the review team was overwhelmed by the sense of community pride and willingness to volunteer on the part of Fanwood's residents.

According to 1990 census information, Fanwood's 1990 median family income was \$62,076, which is higher than the county average of \$48,862 and the state average of \$47,589. Additionally, the median single family home value in Fanwood is \$190,900, which is higher than the county average of \$143,900 and the state average of \$162,300. The 1998 equalized valuation was \$219,473,249, as compared to \$220,859,216 in 1995.

The 1999 municipal budget was \$5,651,321 as compared to \$5,520,921 in 1998 and \$5,512,787 in 1997.

Fanwood has continued to provide the high level of service that is expected by the residents, while simultaneously trying to control costs. To do so, they have used various techniques such as, informal service agreements, interlocal agreements, competitive contracting, and utilizing numerous volunteers. Fanwood is a refreshing example of a government that truly strives, through its employees and volunteers, to provide the best possible services to the residents of Fanwood.

## **I. BEST PRACTICES**

A very important part of each Local Government Budget Review (LGBR) report is the Best Practices section. During the course of every review, each review team identifies procedures, and/or programs, which are noteworthy and deserving of recognition. Best Practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the LGBR process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of effective effort. The following are those “best practices” recognized by the team for their cost and/or service delivery effectiveness.

As you read the report, you will note that Fanwood is commended numerous times for its practices and policies. Borough elected officials and staff have pursued competitive contracting, shared services, and numerous other initiatives to conserve tax dollars used in Fanwood and enhance service delivery. Below are highlights of those practices which are most outstanding.

### **Volunteerism**

The review team was impressed at the level of volunteerism that was found in Fanwood. There are about 20 volunteer boards, commissions, and committees that are currently in place, with each of them being fully complemented with volunteers and alternates. For a town boasting a population of around 7,000, it was impressive to see the amount of people willing to volunteer and take an active part in Fanwood’s government and community. Fanwood should continue to encourage this volunteerism to continue in the future.

### **Governing Body**

Unlike many municipalities that are reviewed by LGBR, Fanwood’s borough council does not receive any monetary stipends or health benefits for providing their service to the community. Fanwood’s borough council can be considered true volunteers, which is indicative of the overwhelming volunteer spirit that runs through the community. Based upon other LGBR reviews, Fanwood is saving at least \$7,500 in stipend and benefit costs per governing body member.

### **Community Assessment**

In 1998 the borough underwent a community assessment process that was paid through grant money. Through this process, about 100 borough residents were surveyed on various topics. The resulting responses were presented to the governing body and four volunteer committees were created to address some of the problems that were identified. The review team feels that this was a wonderful initiative to solicit public input and provide more focused and better quality services to the residents.

### **Provision of Welfare Services**

The borough decided to continue providing health services at the local level through a joint agreement with Scotch Plains. This, in itself, should be commendable, since they realized the efficiencies that are achieved through a multi-jurisdictional provision of service, although they decided not to consolidate services with the county. Through this local provision of service, a unique service is provided. The welfare director works very closely with area churches. The director serves as the main contact person for the jointly created ministerial association. The churches donate funds and materials to this association and the welfare director distributes the funds and materials to needy people, only after verifying their need through the welfare system. This focused approach has enhanced the services that are being provided to area persons in need and has eliminated people trying to take advantage of church organizations through “church hopping.”

### **Recycling Center**

Fanwood is one of the very few municipalities that do not provide any sort of residential recycling collection. Residents are required to bring their recyclables to the recycling center, instead of having them picked up on the curbside (although residents may contract individually with private companies to get their recycling picked up). The recycling center is under the control of a local recycling association. The association is responsible for the administration of the recycling center and gathers volunteer/community groups to staff the center. Community service workers are also utilized, as well as some assistance being provided by public works personnel during the week. Volunteer/community groups are given a small amount of money to staff the facility each week through the funding received by selling the recyclable materials. The recycling association has also been very generous in donating various equipment and supplies to various functions within the borough government.

### **Renting of Equipment**

The public works department has a cost effective process of renting pieces of equipment that are very costly and not utilized on a frequent basis.

### **Emergency Medical Service (EMS)**

The borough’s volunteer EMS organization has entered into an innovative partnership with its fellow organization in Scotch Plains. This partnership revolves around mutual aid. If the Fanwood Rescue Squad cannot get an ambulance on the road due to lack of volunteers, a mutual aid call will then be made to Scotch Plains. Scotch Plains will then try and put an ambulance on the road with its own volunteers to respond and cover for Fanwood. If Scotch Plains is then unsuccessful at getting an ambulance on the road, Fanwood and Scotch Plains will combine available resources and personnel to get an ambulance to the scene of the emergency call. The process would reverse if Scotch Plains were to receive an emergency call for service and could not get an ambulance on the road. This cooperative partnership, instead of being bound by “home rule,” is a refreshing, efficient, and innovative way to provide necessary EMS services to the residents of both Fanwood and Scotch Plains.

**TV35**

The borough is very active in utilizing a local access television station to keep residents informed with what is going on in the community and government. The borough airs each of its council meetings, regularly posts notices of information, and the mayor hosts a monthly show that spotlights an area of government service. The utilization of the local access station allows the borough to effectively communicate the happenings of the community to its residents.

## **II. OPPORTUNITIES FOR CHANGE/RECOMMENDATIONS**

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations or beyond. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control, and revenue enhancement.

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel costs by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefit, social security, pension, unemployment, and other direct benefit costs.

### **GOVERNING BODY**

Fanwood operates under the borough form of government. The mayor serves as the head of the government and presides over council. The mayor is elected for a four year term and six council members are elected at-large, two each year for three year terms.

The governing body appears to be a relatively cohesive group that aggressively pursues the goal of delivering a high level of service to the residents of Fanwood while containing the associated costs. Council members actively participate in policy setting for the departments through a committee structure and work closely with borough personnel in achieving policy goals.

Council members do not receive any monetary stipends for providing their services to the borough and they, also, do not receive any health benefits.

**The borough council should be commended for not providing itself with monetary stipends and/or health benefits. The Fanwood Borough council truly represents itself as public servants through its volunteer efforts.**

In 1998, the borough was presented with a Community Assessment Report. The council requested this report to gauge public sentiment for a variety of issues including government performance, characteristics of the community, and communications. About 100 residents were surveyed on the same questions and each of their responses were recorded and tallied. The cost of this report was \$15,000 and was paid through grant money received from Union County.

From this report, the governing body created four volunteer committees to address the main issues found as a result of the responses from the residents. The four main issues that turned into advisory committees were: 1) downtown revitalization, 2) long range planning, 3) communications, and 4) volunteerism. The communications and volunteerism committees have since merged.

**The borough should be commended for this innovative approach to determine public sentiment and addressing the taxpayers concerns on a number of areas. This Community Assessment Report should be a best practice that other municipalities should follow. Gaining constructive input from the community can only help to build stronger relationships with the residents and will result in providing better, and more focused, municipal services.**

#### **ADMINISTRATION/CLERK'S OFFICE**

The municipal clerk has been with the borough since 1984, obtained the clerk's title in 1988, and assumed the duties of administrator in 1991, when the previous person holding that title departed. She has continued as the borough's de-facto administrator to this date, without formal appointment. Staffing in the office includes the clerk and a full-time deputy. The total salary and benefit costs for this department in 1999 were approximately \$105,082, and other expenses were \$73,409. Included in the other expenses are various line items that are not specific to this function, such as electricity and utilities.

#### **Revenues/Licenses**

The office received approximately \$12,900 in revenue in 1999. Approximately \$6,000 was collected for liquor licenses. There are two distribution licenses, one consumption license, and one limited distribution license. All of these liquor licenses are at the statutory maximum amounts. The borough also received approximately \$6,000 for processing animal licenses. The borough also requires licenses for both dogs and cats. Six hundred thirty-six dogs and 195 cats were licensed in 1999. The fee structure is \$5.80 for neutered cats and dogs, and \$8.80 for non-neutered animals. Finally, the borough received \$600 in amusement permits, \$150 in peddler's permits, \$50 for a sidewalk café permit, and \$100 for towing permits.



Based upon statistics from the U.S. Pet Ownership & Demographics Sourcebook, Fanwood might not be collecting license fees on all of the pets located within the borough. According to the sourcebook, the national average for dogs within a community is .534 per household and the national average for cats within a community is .598 per household. Based upon these averages and a 1996 figure of 2,442 residential properties in Fanwood, there should be approximately 1,304 dogs and 1,460 cats located in Fanwood. As a result, there are potentially 668 more dogs and 1,265 more cats than are presently accounted for. At the neutered license fee of \$5.80 per pet, the borough is potentially losing out on approximately \$11,211 annually in license fee revenue. The police department is currently responsible for ensuring that the animal census is completed.

### **Recommendation:**

**The borough should make every effort to ensure that all dogs and cats within the community are properly licensed. The borough might also want to consider moving the responsibility of the animal census from the police department to the clerk's office, since it really is not a police function.**

**Revenue Enhancement: \$11,211**

Many of the present clerk's duties are specifically described in state statute. These duties include overseeing elections, recording the minutes from council meetings, processing liquor licenses and pet licenses, and maintaining all official records and documents of the borough. She has also absorbed responsibilities normally associated with an administrator, such as grant management, general office supervision, budgeting, and handling residents' complaints. Although the office includes a deputy clerk's position, no one has stayed long enough in recent years to become fully trained, so the clerk has taken on many of the duties associated with that position, instead of being able to delegate and utilize that position effectively. Towards the end of the review the team was informed that the person who was hired to fill the role as deputy clerk left the employ of the borough.

A further complication is that the deputy clerk has traditionally performed the borough's payroll function, and with the lack of continuity in that position, that too has fallen to the clerk. The tax collector, who formerly processed the payroll as the deputy clerk, and finance officer have indicated a willingness to complete the payroll function and lighten the load of the municipal clerk. As of the end of the review, the municipal clerk had not yet delegated this responsibility. We feel that either the tax collector or chief financial officer (CFO) could effectively assume the primary responsibility of payroll processing with the other acting in a back-up or assisting capacity. Any adjustments in salary, if any, could be deducted from the deputy clerk's position and added to the primary position taking on the primary payroll function.

**Recommendation:**

**It is recommended that, wherever possible, the municipal clerk delegate responsibilities to other office personnel so that she can focus on more pressing governing issues. Specifically, the primary payroll responsibility should be transferred from the clerk's office to either the tax collector or CFO on a permanent basis.**

Despite the fact that the borough code maintains the position of borough administrator, no one has held that title or had the concomitant authority for the last nine years. Meanwhile, the clerk has had the duties of administrator by default. Much of what an administrator might control (budgeting, collective bargaining, departmental oversight, and personnel) has been subsumed, to one degree or another, by the governing body's various committees and their respective liaisons. This serves to create another tier of bureaucratic process between the departments and the governing body itself. Decision-making would be streamlined and communication enhanced, if the borough were to formally name an administrator and curtail the duties of committee liaisons. The purpose of having an administrator is to relieve the governing body of the responsibility of running the day-to-day affairs of the borough; to have someone to implement borough policy and to represent the governing body to the employees, the public and to other government agencies. A clerk with duties and no authority or title cannot adequately fit that bill.

**Recommendations:**

**It is recommended that the borough council reevaluate the roles of council committees and their various departmental liaisons.**

**Additionally, we recommend that the borough officially name an administrator and give that person the authority to carry out the day-to-day operations and implement the policies of the borough council. We feel that in a municipality the size of Fanwood, having a combined administrator/clerk position is appropriate. We do not feel that the workload in the borough warrants two separate full-time positions.**

The review team found that the statutory duties of the clerk were complete and up-to-date. The borough's codebook is automated and is updated with an annual filing of adopted ordinances. A more frequent filing, preferably quarterly, but at least semi-annually, would keep the codebook more current.

**Recommendation:**

**It is recommended that ordinances be filed for codification at least twice annually.**

## **INSURANCE**

### **Property & Casualty and Workers' Compensation**

For property and casualty insurance, the borough has proven that set formulas of Joint Insurance Funds (JIF's) are not always the best solution for a community or a school district. The review team has found that aggressive shopping for the best rates, coupled with an earnest effort to mitigate risk, can result in property and casualty insurance savings that are greater than just belonging to a JIF.

Approximately two years ago, the borough requested its insurance broker to shop for better rates. As a result of testing the marketplace, the broker recommended to the borough that it leave the JIF that it belonged to and move to a statewide, joint insurance fund for workers' compensation coverage and a traditional insurance carrier for a package policy for property and liability coverage. The borough realized a savings of approximately \$10,000 in 1999 by following the advice of its insurance broker and will save an additional \$4,000 in the current year of 2000.

The borough does not have a safety committee that is active, but they also do not have many claims. Prevention has been shown throughout the industry to be a proven method of saving money in the long run. The assessment in 1999 for workers' compensation was \$48,473, yet claims are miniscule. In the past three years, the city has had claims of less than \$30,000 in total, yet their premium loss ratio is about 20%. The moderate expense, if any, spent in prevention and risk analyses after exposure with recommendations to prevent future reoccurrence has been shown throughout the state to be an implementable, prudent, low cost strategy to reduce insurance costs.

### **Recommendation:**

**The borough should request its broker to perform a workers' compensation risk analysis within the borough. This service could either be preformed by the broker as part of that company's services, or by the insurer or their agent. This service is usually performed on a periodic basis as a courtesy to the insured and assists the client to reduce exposure, while helping the insurance company and broker to get to know their client better. While we believe that this analysis will result in savings to the borough, it is difficult to assess how much money could be saved because it is hard to determine which future risks are averted. If the borough could save 5% on its annual assessment, the borough could save approximately \$2,423 annually.**

**Cost Savings: \$2,423**

### **Health Benefits**

The borough has contracted with a major insurance company for the health benefits that are provided to its employees. The review team conducted a cost study of the borough's current plan and compared it to New Jersey's State Health Benefits Plan (SHBP). In 1999, the borough paid \$401,233 for its health and prescription costs (an additional \$18,794 was spent on life and dental

insurance and vision care reimbursements). The health insurance portion was approximately 80% of the total cost. The borough budgeted about a 10% increase in these insurance costs for the year 2000.

The initial comparison revealed that the borough could save about \$28,000 by switching to the state's SHBP based upon 1999 figures. Based upon 2000 figures, the borough could save about \$60,000 by switching. Rates for the SHBP are not scheduled to increase for 2001, which means that the borough would most likely continue to save money in comparison to its current arrangement.

At first glance it appears that the borough could save significant money by switching to the SHBP, but the initial analysis does not account for retired employees receiving health benefits from the borough. Since policemen are exempt from paying for Medicare unless they were hired after 1986, the retired employee would be required to receive Medicare Part B under the SHBP. Additionally, since many of these policemen do not have the requisite quarters to qualify for Medicare Part B, they would also have to receive Medicare Part A. This is based upon a sliding scale dependant on the number of membership quarters.

If the borough were to switch to the state's plan, the borough needs to take into account this additional coverage for their retired police officers. At time of the review, there were 16 total retirees that received health benefits, 13 of which are police retirees. The review team estimated that the cost for the additional Medicare coverage could cost the borough up to \$40,000. This additional cost would negate any savings that could have been achieved in 1999 and would reduce the potential savings in 2000 to \$20,000. Dependent upon situations in 2001, the city could see even greater savings opportunities.

If the borough determines that it wishes to continue with its current arrangement for health and prescription insurance, it should consider negotiating cost-sharing measures with its unions during the next round of negotiations. Cost-sharing initiatives are becoming very common throughout the state as the cost of health insurance continues to rise exponentially. The LGBR team feels that an initial cost-sharing initiative of 10% is a reasonable percentage for the employee to incur for receiving comprehensive insurance coverage. If the borough could successfully negotiate a 10% cost sharing with its employees, the borough would realize a revenue enhancement of about \$44,000. Even if the borough decides that it wants to switch to the SHBP, it should still consider cost sharing initiatives since it can receive co-pays from employees for costs in excess of the employee-only coverage.

#### **Recommendation:**

**The borough should consider utilizing the State's Health Benefits Plan (SHBP) for its health and prescription insurance needs.**

**Cost Savings: \$20,000**

## **TECHNOLOGY**

Technology provides local government administrators with numerous opportunities for savings, including improved productivity and staffing realignments. Without proper planning and coordination, technology may become a costly, recurring expense. The goal of management and office automation should be to use technology to promote a smarter and efficient organization while limiting the impact on resources.

The LGBR team reviewed borough Management Information System (MIS) initiatives and found a relatively strong use of technology with room for improvement through better coordination, training and managerial commitment. For example:

- both the administration and police sections of the building had internal email systems incapable of communicating with each other;
- the construction department is not networked and, therefore, has no email with the administration;
- the police department did not have a Computer Aided Dispatch System (CAD);
- every department expressed concerns regarding the lack of technology training;
- several departments were using non-Y2K programs for record management and, subsequently, lost report writing abilities on January 1, 2000;
- it appears that not all computers have anti-virus software protection;
- only the server had an un-interruptible power supply/conditioner;
- none of the departments could access online financial information about their own department; and
- it appears the borough does not have a proxy/firewall on their cable modem connections.

At the time of the review, the borough was attempting to address most of the issues. The police department had recently received a grant to fund a new CAD and records management program, and was seeking to implement a mobile data terminal system with the county. Generally, the business administrator and police chief make MIS decisions. The team found the strongest coordinated use of technology in the library.

With 30 relatively new computers, three file servers, and assorted printers, scanners and peripherals, the team recognizes the borough is too small for a full-time support position. The borough contracts complex networking and computer installation on an as needed basis. In 1999, the borough required the outside consultant for repair services twice, at a cost of \$510.

### **Expenditures**

In 1999, the borough performed a major technology upgrade to the police, library, administrative, and construction departments. Out of the approximate \$62,466 spent, the township funded approximately \$7,000 through the budget, \$37,888 through grants and \$17,578 through long and short term debt. Debt financing was through the Union County Improvement Authority and a bond anticipation note at an average rate of 4% and 3.98%, respectively. Based on a five-year financing schedule, the township will pay approximately \$3,500 in interest payments.

Furthermore, the extensive use of debt financing and grants is an early warning financial indicator that the borough may experience long term problems with financing technology purchases.

Local governments need to be cautious when making major purchases in one budget year, especially since technology is a major investment that has a relatively short life. When municipalities and school districts develop and adhere to multi-year purchasing plans, they spread the expense over several years and eliminate the danger of having to replace all of its technology at once. If the government needs to finance their purchases, it should not exceed the life value, which in technology is generally three to five years.

#### **Recommendation:**

**Careful planning and budgeting through a technology plan reduces the risk of major purchases and interest expense charges. It is, therefore, recommended the township plan, and fund, technology purchases according to a technology plan as prescribed in the technology committee section. The review team does not support the purchasing of technology equipment through debt financing.**

#### **Technology Committee and Plan**

The town informed the team that they have neither a technology committee nor a plan. A technology committee, consisting of department employees, community business people and residents, provides valuable assistance to the borough in developing and maintaining technology initiatives. The committee has the responsibility to produce a plan that provides political leaders and the community with documentation of coordinated technology activities and should include a budget that outlines technology expenditures for 3-5 years. The first job of a technology committee is to perform a needs-assessment survey. A needs-assessment survey involves a detailed study of each department and its employees. The survey assists the committee in integrating technology, hardware and software, and training efficiently and comprehensively into municipal operations.

#### **Recommendation:**

**It is recommended the borough create a technology committee comprised of an employee from each department, residents and business people from the community. The committee's first responsibility should be to perform a needs-assessment survey and develop a technology plan with a 3-5 year budgetary impact statement. The plan should also address training weaknesses that were prevalent in the borough. If the borough had a coordinated team and plan in place prior to its recent technology purchases, it could have appropriately planned for the purchases and avoided the approximately \$3,500 in interest costs.**

### **Policies and Procedures**

Policies and procedures establish guidelines for employees using borough technology. It also protects the borough from costly litigation generated by inappropriate use of e-mail, the Internet, or computer resources. The borough reported there are no policies and procedures governing technology usage in the borough.

### **Recommendation:**

**Policies and procedures provide employees with guidelines for acceptable use of borough-owned technology. It is, therefore, recommended the borough develop policies and procedures outlining acceptable technology usage.**

### **Internet**

The police and administration both have Internet access through cable modem. As part of the cable agreement, the municipality receives Internet service at no charge. Cable-modem provides high-speed access to the Internet. However, cable modem technology requires the client to remain active on the Internet whenever the computers are active. This exposes the municipality to hostile computer attacks by unauthorized individuals. The borough should take extra precaution, since both the chief of police and business administrator's computers are connected to the Internet and have, or contain sensitive data systems and databases. The municipality has the ability to minimize risk though the use of an Internet security barrier.

### **Recommendation:**

**Cable modems provide high-speed access to the Internet, and increase the risk to unauthorized users. It is, therefore, recommended the borough install an Internet security software program designed to protect municipal databases and computers.**

**One-time Value Added Expense: \$120**

### **Cable Television**

As specified in Ordinance No. 99-19-R, the borough and a cable company renewed a 15-year cable franchise agreement to provide cable services for Fanwood residents. The contract expires in 2015. As part of the agreement, the borough continues to receive 2% of gross revenues based on subscriptions, which were \$14,766 and \$16,553 for fiscal years 1998 and 1999, respectively. The company also donates one broadcast channel for governmental and educational cablecasting, and will contribute an additional \$25,000 to fund video production equipment for the government channel.

According to the agreement, the company also provides basic cable services to the borough buildings, library, and all public and private school buildings in the borough at no cost. Generally, most contracts provide only one outlet for each school. In the contract, the borough negotiated that fees for additional outlets at each school be waived. The schools only need to pay

for installation charges. Finally, the municipality and public and private schools also each receive one free cable modem hook-up to the Internet. The cable modem service in the schools must be for student use.

### **Photocopiers**

Photocopiers represent a business expense to all departments in the borough. Local governments procure copiers through four types of financing - purchase, lease, lease/purchase, and cost-per-copy (CPC) contracts. The borough has six copiers; four in the municipal building, one in public works and one in the library. With the exception of the library, the borough owns all copiers and contracts for maintenance and supplies. Three of the copiers were purchased in 2000 and do not have maintenance agreements.

The team compared copier consumption and contract/purchase agreements to the State CPC-T0206 Contract. The State CPC contract is essentially a rental agreement where the user pays for a specified number of copies and is charged for excess copies over the specified allotment. CPC contracts include all maintenance and supplies, with the exception of paper. The team has found that CPC contracts are less expensive than other types of financing, and allow local governments the benefit of upgrading copier equipment every three years.

The three recently purchased copiers cost the borough \$14,738. Adjusting for maintenance costs, the team estimates a three year cost of \$17,216. A three year State CPC contract would have cost the borough \$6,408. In addition, many of the copiers under the CPC contract offer duplex printing and digital features for double-sided printing and network connectivity.

The police department contracts for maintenance on their 1993 copier at an annual cost of \$516, which includes an allotment of 39,600 copies. Based on an actual utilization monthly average of 2,395 copies, a state CPC copier would cost the borough approximately \$672 per year, and provide the department with a newer copier. The borough currently saves \$156 per year by maintaining the seven-year old copier.

In the library, a vendor supplies and operates a 13-year old pay-copier, providing all maintenance and supplies, including paper. In exchange, the library has unlimited copy privileges. The team received complaints that the quality of copies is substandard. The LGBR team believes the library may have the opportunity to increase revenues by utilizing the CPC contract. Using an estimated public use rate of 2,000 copies per month, the team determined the library would realize a \$2,200 annual revenue enhancement. This includes a coin operated device, paper costs and administrative usage. The team recognizes that library will need to monitor monthly usage on the existing copier for six months to determine the appropriate copier selection.

### **Recommendations:**

**Through the use of the state's "cost-per-copy contract," the LGBR team feels the library can upgrade their 13-year old copier and earn revenue from public usage. It is, therefore, recommended the library upgrade their current copier for a revenue enhancement of \$2,200.**

**Revenue Enhancement: \$2,200**



**Before any additional copiers are purchased, such as were recently purchased in administration, it is recommended that the cost of purchasing the copiers be compared with the state contract CPC costs. In most cases, the CPC arrangement is seen as a very economical way to provide copier services while being able to utilize modern equipment.**

### **Communication**

According to 1999 phone records, borough employees made 35,921 local calls and 2,261 long distance calls. Long distance totaled \$2,231 while local totaled \$15,983. In addition, borough employees utilized local and long distance directory assistance approximately 967 times at a cost of approximately \$500. The team's review of phone expenses was hampered by multiple billings from the local phone carrier. Each month the borough receives 10 local carrier bills.

### **Recommendations:**

**The borough should consider eliminating the use of directory assistance services, since most phone numbers are listed in either phone books or through the Internet. It is, therefore, recommended the borough eliminate use of directory assistance for annual savings of \$500.**

**Cost Savings: \$500**

**It is recommended that the borough solicit reimbursement from employees for any personal calls that are made from the workplace. If a conservative estimate of 5% of calls were of a personal nature, the borough could recoup approximately \$125 in long distance calls and \$800 in local calls.**

**Revenue Enhancement: \$925**

**It is also recommended the borough contact the local carrier to arrange for consolidated billing.**

### **Cellular Phones**

The volunteer fire department and emergency management each have a borough assigned cellular phone. In 1999, emergency management incurred \$270 in cellular charges while the fire department incurred \$743. Three additional phones were assigned to the police department in October, 1999, at an additional cost of \$210 for three months.

Cellular phones represent an extravagant expense for the emergency management and fire departments. The borough could supply emergency management with a cellular phone that has pre-purchased minutes. Pre-purchased minutes will provide the department with cellular time during emergencies while eliminating the monthly charges when the phone is not in use. The volunteer fire department should reimburse the borough for cellular charges to alleviate the issue of the town using public dollars to pay for a private entity's phone bill. With a communication tower in a 1.3 square mile town, the borough should also re-evaluate the necessity of providing the police department with three cellular phones.

**Recommendations:**

**Cellular phones represent an extravagant expense for the emergency management and fire departments. It is, therefore, recommended the borough eliminate cellular phones for a saving of \$1,013.**

**Cost Savings: \$1,013**

**It is also recommended the borough re-evaluate the police department's need of having cellular phones. As an alternative, the borough could adopt a per call reimbursement for employees when they use their personal cellular phones or pay phones for official business.**

**Cost Savings: \$840**

**Shared Services – Technology**

The LGBR unit had the opportunity to review both the school and municipality and believes both would benefit by creating a shared department in which the school district takes the lead since schools are better equipped and skilled. In general, technology usage remains the same for the public and private sector. Variances occur regarding software applications for specialized functions like finance or student scheduling. However, there are areas where software applications are essentially the same such as operating systems, fleet management, maintenance and grounds, word processing and spreadsheet usage, as well as the hardware used in network construction. Furthermore, a shared department will allow both governments to benefit from increased purchasing power, network administration and training. The municipality and school district should apply for financial assistance through the Department of Community Affairs' REDI and REAP programs.

**Recommendation:**

**The municipality and school district have an opportunity to share technology purchases and services. It is, therefore, recommended the municipality and school district create a shared department with the school district as the lead agency.**

**PROFESSIONAL SERVICES**

The borough regularly appoints an attorney, an engineer, a public defender, a prosecutor, a planning board attorney, and an auditor in accordance with controlling statute (N.J.S.A. 40A:9-139, N.J.S.A. 40A:9-140, N.J.S.A. 2B:24-3, N.J.S.A. 2B:25-4, N.J.S.A. 40:55D-24 and N.J.S.A. 40A:5-4). Of those positions, only the auditor has had to regularly submit a formal cost proposal (typically with changes in administration). The attorney is a new appointee, having been selected from among a group of candidates whose applications were sought informally. With the exception of the auditor, then, no formal requests for proposal are circulated regularly for any position except when the borough has a very specific need, such as a planner or a labor attorney.

Each professional, excepting the auditor, has a detailed job description outlined in the borough's code of ordinances for which he is compensated in accordance with the annual salary ordinance. They are considered employees for pension purposes, but do not receive health benefits. In 1999, the professionals cost the borough approximately \$99,325 in salary costs as follows:

Attorney	\$22,158
Engineer	\$44,318
Public Defender	\$3,283
Prosecutor	\$20,207
Planning Board Attorney	\$9,359

For any services beyond the scope of their delineated duties, the various professionals charge the borough separately at a rate established by contract. The following chart compares Fanwood's hourly fees for additional duties to surrounding county averages (as found in the 1999 New Jersey Municipal Salary Report as prepared by the New Jersey League of Municipalities). The chart shows that there is some room potential for lower costs, although the current costs are not particularly exorbitant.

	<b>Fanwood</b>	<b>Union County</b>	<b>Somerset County</b>	<b>Middlesex County</b>	<b>Morris County</b>	<b>Essex County</b>
Attorney	\$120.00	\$103.75	\$115.42	\$115.83	\$120.52	\$100.00
Engineer	\$75.00	\$73.33	\$102.50	\$106.18	\$98.24	\$54.57
Planning Brd. Attorney	\$120.00	\$103.75	\$115.42	\$115.83	\$120.52	\$100.00
Labor Attorney	\$120.00	\$103.75	\$115.42	\$115.83	\$120.52	\$100.00

Such charges for additional duties, along with other fees for professional services, were as follows in 1999:

Legal*	\$46,458
Engineering	\$1,042
Auditor	\$18,250

\*Includes attorney, planning board attorney & labor attorney.

### **Recommendation:**

**It is recommended that the borough seek competitive proposals for professional services on an annual basis.**

## **PUBLIC ASSISTANCE**

The State of New Jersey greatly modified the administrative requirements regarding the General Assistance Program in 1997. As a result of those changes, each county was given the authority to administer the General Assistance Programs, unless a municipality adopted a resolution to maintain the duties as a local responsibility. According to the 1999 Union County Directory, 14

of the 21 municipalities in Union County have elected to retain this local responsibility. Fanwood is one of those municipalities, although they chose to retain their responsibility through an inter-local service agreement with Scotch Plains. Reasons given for retaining local responsibility included the desire to provide higher quality services than what would have been obtained at the county level and the director had provided the services in Fanwood for over 10 years prior to 1997. Under this arrangement, both municipalities share the services provided by the director. The director, now an employee of Scotch Plains, is required to devote 15 hours of office time to her duties in Fanwood. She is also “on-call” at all times. The borough pays \$4,800 annually towards the director’s salary and is not required to pay for any benefit costs.

The duties of the welfare director are prescribed by N.J.S.A. 44:1-1 et. seq. The number of welfare clients in Fanwood has decreased from twelve to three since 1995, although the workload under the umbrella of social services has increased. This is due to various additional initiatives taken on by the director, most notably: 1) solicitation in the quarterly newsletter from the borough to obtain information about residents in need of public assistance and, 2) participation in the Scotch Plains-Fanwood Ministerial Association. The review team feels that the public assistance function is quite effective and provides high quality services to the residents of Fanwood.

As stated above, the borough creates a quarterly newsletter that is sent to each address. As a result of recent discussions with the borough, the newsletter now contains a small section that solicits information on people in need of public assistance. People can identify themselves or refer someone they know as people who need assistance. The welfare director will then investigate each response and assist to the extent possible.

Additionally the director works closely with the Scotch Plains-Fanwood Ministerial Association. This association was developed by community churches to coordinate their efforts to provide assistance to people in need in their community. The churches within this association collect money and goods from their parishioners and donate the collected materials to the association. The association then directs any requests for assistance to the welfare director who has been given the authority to determine the level of assistance that is needed and disburse funds and/or goods from what was donated to the association. In this arrangement the association is able to maximize the funds available and reduce pilfering by those who work the system by going from church to church. In order to ensure that resources are being disbursed responsibly, the director continually utilizes the State of New Jersey’s tracking program (G-Link) to find out who’s in the system and what services they have received.

### **Recommendation:**

**Although LGBR typically recommends transferring the public assistance function to the county to take the expenses out of the local tax base, we feel that the borough, for a rather insignificant cost, is receiving customized service beyond what would be received from a county managed program. The borough should be commended for implementing its inter-**

**local service agreement with Scotch Plains as a way to retain its local responsibility. This type of arrangement is an excellent way to maintain, or even expand on, services while minimizing administrative costs to the involved municipalities.**

**The borough should be commended for its innovative programs to search out and assist people in need within their community. Both of these programs, the quarterly newsletter and the ministerial association, can be considered best practices that should be emulated by other municipalities with locally controlled public assistance functions.**

## **FINANCE**

A Certified Municipal Finance Officer (CMFO) carries out the borough's financial obligations and duties. The CMFO has responsibilities that include the budget, purchasing and accounts payable, and cash management. She is also the deputy registrar of vital statistics and occasionally fills in for the tax collector. Additionally, she will assist with general public inquiries in person or by phone. As stated earlier in this report, the payroll function is currently not under the CMFO's responsibility. The salary and benefit costs for this function were approximately \$56,517 and the other expenses equaled \$24,463.

During 1999, the borough updated its financial package from an MS-DOS to a Windows-based system. The borough has utilized the software since about 1989. As a result of trying to upgrade their system during the middle of their fiscal year, there were numerous problems. The CMFO was having a difficult time after the close of the fiscal year tying in her figures to what the updated system was showing. At the time of the review, the 1999 expenditure figures given to us from the CMFO's reports were still not 100% accurate, although the CMFO was able to identify the differences down to an "insignificant" amount as far as the review team was concerned. As a result, we point out to the readers that not all of the figures in this report will be 100% accurate, but the ones that may be incorrect should be reasonably accurate.

### **Professional Services - Annual Audit**

Out of the \$24,463 in other expenses, \$18,250 was spent from the professional service line item for auditing services. The auditors are responsible for completing the Annual Financial Statements (AFS), annual debt statements, annual audit, and putting the borough's budget into the state mandated format. The auditing firm has been with the borough since 1987 and the review team was told that the borough investigated other firms a couple of times during that time, but it was not done on a routine basis. A review of the comments in the annual audits for the past few years revealed there were only a few minor comments each year, although some comments were repeated.

The review team has a philosophical problem with the auditing firm completing the end of year financial statements (AFS and debt statements) and then auditing their own work during the annual audit. Further, N.J.S.A. 40A:5-12 of the Local Fiscal Affairs Law imposes the responsibility for the preparation and filing of a municipality's annual financial statement upon the municipality's CMFO. The borough should utilize the CMFO to conduct the borough's end

of year financial statements. This should result in an undetermined reduction in annual payments to the auditing firm. Whatever savings are realized should be put towards hiring a temporary accounting person for some point from late December to early February to assist the CMFO with her daily duties as she completes the end of year financial statements.

### **Recommendations:**

**The borough should utilize its CMFO to complete its end of year financial statements, instead of its auditing firm. Whatever savings are realized as a result of less services being provided by the auditing firm should be utilized to hire a temporary accounting person to assist the CMFO during the end of year reporting period.**

**The borough should routinely solicit requests for proposals for auditing services so that it continues to get high quality service for the best possible price.**

**The borough should ensure that it completes and follows a corrective action plan for any comments and/or recommendations that are brought to its attention as a result of the annual audit.**

### **Budget**

The CMFO's main responsibility when it comes to the budget is to track the revenues, expenses, and encumbrances that occur during the fiscal year. She has minor input into the make-up of the budget, as it is mainly the clerk, governing body, and department heads that determine what the budget will be. The following chart represents some of the main budgetary trends in the current fund over the past few years:

	<b>1997</b>	<b>1998</b>	<b>1999</b>
Total Budget	\$5,542,321	\$5,835,568	\$6,062,416
Revenue Realized	\$5,923,142	\$6,012,660	\$6,376,342
Excess Revenue	\$410,355	\$177,092	\$313,926
% Revenue Exceeds Budget Amount	7.44%	3.03%	5.17%
Total Expenditures*	\$5,353,319	\$5,603,300	\$5,981,853
Excess Expenditures	(\$159,468)	(\$232,268)	(\$80,563)
% Budget Amount Exceeds Expenditures	2.89%	3.98%	1.33%
Fund Balance Utilized as Revenue	\$672,500	\$717,500	\$687,000
End of Year Fund Balance (12/31)	\$1,003,902	\$932,182	**\$700,000

\*Since the review team could not fully trust the expenditures that occurred in 1999 that were charged back to the previous year's budget (appropriation reserve expenditures) and we did not have those figures for 2000, we utilized the percentage of appropriation reserves that were spent in 1998 (21%) and applied it to the other two years in the chart.

\*\*Annual audit was not completed at time of review...the figure of \$700,000 was an estimate by the CMFO based upon her preliminary end of year figures.

As is shown in the chart, the borough is somewhat conservative in its revenue and expenditure projections as it routinely underestimates its anticipated revenue and overestimates its expenditures. Additionally, it is very conservative in its annual projected collection rate. As is seen in the tax collection section of the report, the borough's actual collection rate on an annual basis is consistently around 98.5%. The borough, however, projected collection rates from 1997 to 1999 of 97.20%, 97.67%, and 97.67%. This underestimating of projected collection rates results in a higher than necessary reserve for uncollected taxes which, in turn, overestimates its projected expenditures. All of this helps the borough achieve a sizeable fund balance or surplus. In 1997, the end of year surplus balance was about 18% of the budgeted amount for that year. In 1998 it was about 16% and in 1999 the estimated surplus amount would be about 11.5%. LGBR typically utilizes a benchmark of 5%-10% for appropriate amounts of surplus. This amount could be higher if a municipality is planning for a large expenditure in future years.

### **Recommendations:**

**The borough should perform an in-depth analysis of its revenues and expenses over the past few years to determine line-item trends and utilize that information, along with any additional information that might effect the current budget, to create a budget that is a realistic estimate of revenues and expenses. Revenues and expenses should be estimated so that a fund balance of between 5%-10% is achieved under normal circumstances.**

**Although an accurate determination of appropriation reserve expenditures could not be completed, if the 21% that was expended in 1997 is found to be an average, the borough should take a closer look towards the end of the year and cancel any line-item balances to fund balance that are not going to be utilized.**

### **Cash Management**

The CMFO is responsible for the investment of municipal funds, including the reconciling of all accounts. The borough's main depository is Sovereign Bank, although the borough does hold some minor accounts in a few area-banking institutions. Last year the borough received requests for proposals for banking services and significantly increased its return on investments. From 1997 to 1999, the borough received interest on investments of \$68,093, \$47,124, and \$104,416, respectively. As of the time of review, there was no authorized cash management plan in place to guide their investments.

The review team conducted an analysis of 12 borough bank accounts and compared the interest earned to that which could have been earned if the money was invested in the New Jersey Cash Management Fund (NJCMF) or in 91-day T-bills. During 1999, the borough's interest rate ranged from 4% to 5%. From our analysis, the team concludes that the borough is doing a commendable job at investing its funds.

### **Recommendations:**

**As it did last year, the borough should routinely solicit proposals for banking services to ensure that it is maximizing its earning potential.**

**The CMFO and borough should draft a cash management plan to guide all future investments.**

### **Purchasing**

The borough utilizes a decentralized purchasing process for procuring its goods and services. Each department is responsible for searching out what they need, getting quotes when necessary, and forwarding the purchase order to finance. The CMFO is responsible for ensuring that funds are actually available, encumbering the funds, distributing the copies of the purchase order to the vendor, ensuring that all paperwork and signatures are in order before payments are authorized, and paying the bills once authorized by the governing body members. The clerk authorizes all purchases before the paperwork is processed by the CMFO and forwarded to the vendor. Bills are paid once per month by the governing body.

Each of the main functional areas (i.e., police, public works, and the library) is given a stack of pre-numbered purchase orders to use as needed. There is no requisition process. The CMFO, on a somewhat routine basis, provides the department heads with budget reports to assist the departments with their purchasing. Normally, each department will call the CMFO to ensure that funds are available in a line item before the paperwork is processed. The borough departments typically do not plan in advance for its purchases, so there is not much of an opportunity for bulk purchasing. There are no cooperative purchasing ventures in place. The borough does try to take advantage of special discounts that might be available by purchasing through state contract vendors or through the Union County Cooperative Pricing Council.

While the review team did not perform a compliance audit to ensure that purchase requests were not made to the vendor before the proper authorizations and encumbrance of funds, since that is done by the auditing firm, it was openly told to the review team by one department and the CMFO that there have been some occurrences where purchases were requested before the proper steps were fulfilled. Under the present system, there really is no way to prevent this from happening, since vendors typically only require a purchase order number before a request is processed. If the borough were to institute a requisition process, where a purchase order number is only given after funds are encumbered by the CMFO, the chances of purchases occurring before the proper authorizations are received are significantly reduced. The review team is not implying any sort of misdeeds or improper purchases; rather, we are only trying to recommend a purchasing system with better internal control procedures.

### **Recommendations:**

**The CMFO should submit budget reports to various departments on a monthly basis.**

**The borough should investigate the possibility of entering into a joint or bulk purchasing arrangement with either the board of education or surrounding municipalities.**

**The borough should consider replacing its current purchasing system with a system that includes a requisition process before a purchase order number is issued.**



## **GRANT MANAGEMENT**

Between 1998 and the beginning of 2000, Fanwood was awarded grant funds in excess of \$1.5 million through 19 different grants. The grant funds were designated for various areas of the municipality including parks and recreation, the library, the police department, infrastructure, and downtown revitalization. Grants are applied for and administered by the manager of the department requesting the grant, such as the library director, police chief, and public works director. In those grant areas that do not fall under a specific department, such as recreation, community development, and legislative grants, the borough clerk applies for and administers these grants. The engineer applies for and administers the grant funds associated with infrastructure from the New Jersey Department of Transportation.

Although there are no specific software programs or formalized manual procedures in place to monitor grant expenditures and timelines, a review of the grant funds received by Fanwood found that they are typically spent within the designated parameters and timelines. One notable exception was found concerning downtown revitalization. The borough has in its possession \$400,000 in grant funds for revitalization efforts in the downtown area. Three hundred thousand dollars of the grant funds was obtained from Union County and \$100,000 was obtained from the State of New Jersey in the form of a legislative grant. At time of the review, the team found there were only four months remaining to expend these grant funds and there was neither a viable plan in place to expend these funds or anyone designated to carry out the potential plans. The borough applied for these grants to place Victorian style lights in the downtown area but, after the grant funds were received, it was found that the actual cost of the lights would be close to twice the amount of the grant money.

### **Recommendations:**

**While the borough should be commended for its efforts to reduce the local tax burden by soliciting grant funding, it needs to ensure that whenever grants are applied for that there is a comprehensive and viable plan in place to expend the funds in accordance with the grant amount, parameters, and timelines.**

**The borough should invest in a software program to efficiently monitor grant expenditures and timelines.**

**One-time Value Added Expense: \$1,500**

## **TAX COLLECTION**

In 1999, Fanwood achieved a current tax collection rate of approximately 98.5%. This follows previous collection rates of 98.43% in 1996, 98.66% in 1997, and 98.73% in 1998. For a point of reference, the average collection rate for New Jersey municipalities was approximately 96% in 1999. Although it is a trend that collection rates have been increasing, due to the fact that many

payments are made directly through mortgage companies, the borough should be applauded for its aggressive efforts, in the form of delinquent notices, tax sales, and the like, to achieve such a high collection rate.

One full-time collector currently staffs this function. She has been employed with the borough since 1989, having served in the tax collection function since 1996. She began her work in the collection function as the deputy collector, working under another collector's license, and received her certification as tax collector in 1998. The office is open everyday from 8:00 a.m. to 4:00 p.m. No one else is trained in the collection function, so the collector is careful not to schedule any time off around the peak collection times of February, May, August, and November. The only assistance that the collector receives from other borough personnel is to receive any payments that come into the borough while she may be away. The total salary and benefit costs for this function in 1999 were \$43,195, while other expenses were \$2,778.

**Recommendation:**

**The borough should look to minimally train another borough employee in the operation of the tax collection function. One suggestion would be to train the deputy municipal clerk once the position has been filled.**

The collector is responsible for approximately 2,600 line items and a total tax levy (including funds collected for the operation of the board of education and the county) of some \$14 million. The ratio of 2,600 line items per employee is a little below the LGBR benchmark of between 3,000 and 3,300 line items per employee. As a result, this further enhances our earlier recommendation to assign payroll duties to the tax collector.

Tax sales are conducted once each year, usually in June. The initial tax sale list in 1999 contained 21 properties with a delinquent tax value of nearly \$65,000. By the day of the sale, the list was reduced to one property with a delinquency of just under \$3,000.

The collector is also responsible for collecting sewer charges from businesses and any assessment charges (sidewalk and curbing). In 1999, there were no assessment charges to collect, but sewer charges amounted to \$3,340. Although residents and businesses pay for sewer service through their taxes, local ordinance requires that each business be assessed a separate sewer charge based upon the number of connections. Business sewer usage can vary dramatically, and charging by number of connections for this service is inherently inequitable. Using water meter readings, businesses could be charged for sewer service based upon flow, and therefore, actual usage of the system.

**Recommendation:**

**It is recommended that the borough consider changing the method for determining business sewer charges from the number of connections to actual usage.**

## TAX ASSESSMENT

One part-time assessor staffs the tax assessment function. The current assessor has been in the position within the borough for over 25 years and currently serves as the assessor in five other municipalities. Office hours are from 10:00 a.m. to 2:00 p.m. on Tuesdays and he estimates an additional two to four hours are spent each week working on inspections and tax appeals. This results in a workweek of approximately six to eight hours per week devoted to Fanwood Borough. The salary and benefit costs for this department in 1999 were approximately \$17,214, and the other expenses totaled \$2,575. The tax assessor does not receive health benefits and outside consultants are only hired to work on various tax appeal projects. The total number of tax appeals and their associated change in valuation are as follows:

<b>Year</b>	<b>Appeals</b>	<b>Net valuation change</b>
1999	*4	\$70,500
1998	2	\$22,100
1997	4	0

\*Two were withdrawn.

Based upon the borough having approximately 2,600 tax line items, the standards promulgated by the International Association of Assessing Officers (IAAO) indicate that appropriate staffing for this function should be a part-time assessor working 10-20 hours per week and minimal support service. Because of the borough's small size and the fact that it is basically fully developed, the review team believes that the current staffing of one part-time assessor is appropriate for the workload within the borough, although consideration should be given to increasing the number of hours that the assessor works.

The borough's total assessed valuation decreased from \$220,369,022 in 1996 to \$219,800,598 in 1997 to \$219,473,249 in 1998. The last revaluation was conducted in 1983 and as a result, the current equalization ratio is approximately 40.49%. The result of such low equalization ratio is an extraordinarily high tax rate. The borough's tax rate was as follows:

	<b>1996</b>	<b>1997</b>	<b>1998</b>
Municipal	1.37	1.37	1.40
County	1.08	1.07	1.10
School	3.64	3.74	3.90
<b>TOTAL</b>	<b>6.09</b>	<b>6.18</b>	<b>6.40</b>

There is currently no impending order from the county to perform a revaluation, although they fall within the statutory boundaries by which the county could mandate such revaluation.

**Recommendations:**

**While we acknowledge the high costs associated with a revaluation, the current equalization ratio of 40.49% is unacceptable. Therefore, we recommend that the borough begin planning for, and initiate, a revaluation so that taxpayers are being fairly assessed their share of the tax burden.**

**Value Added Expense: UNDETERMINED**

**While we maintain that the staffing level of one part-time assessor is appropriate, we do recommend that the borough consider increasing the assessor's weekly hours to at least 10 hours per week when the revaluation is completed.**

**Value Added Expense: \$5,000**

There are no Payment In Lieu Of Taxes (PILOT's) agreements in place within the borough, although The Children's Specialized Hospital does provide an in lieu of tax payment each year, and it has grown from \$10,000 in 1989 to over \$20,000 in 1998. Additionally, there are three group homes sponsored by ARC of Union County. However, they do not make any payments in lieu of taxes.

**Recommendation:**

**It is recommended that the borough formalize the PILOT agreement that is currently in place with the Children's Specialized Hospital and approach the ARC of Union county for such an agreement for the three group homes located within the borough's borders.**

It should be noted that the county provides computer equipment and software to the borough to assist with the assessment function.

**MUNICIPAL COURT**

While the team recognizes the separate authority and responsibility of the judicial branch of government, we have made the following comments and recommendations in an effort to provide the community with information on current and potential operations, procedures, and programs available to the court. Recommendations are made with the knowledge that appropriate judiciary personnel will require further review and approval.

The municipal court is responsible for adjudicating cases at the local level. Their caseload consists of motor vehicle and traffic violations, municipal violations and quasi-criminal offenses. Although a court of limited jurisdiction, Fanwood's municipal court processes a significant number of cases. In 1999, there were a total of 2,535 filings with 2,806 cases being disposed. This is compared to 3,008 filings and 3,591 dispositions in 1997 to 2,453 filings and 2,840 dispositions in 1998. Fanwood has three court sessions per month scheduled on Tuesdays after normal business hours. In FY99, the court collected \$282,543 in revenues. The borough

retained \$163,039 of this revenue and disbursed the balance to appropriate state and county agencies. The borough utilizes both the Automated Traffic System (ATS) and Automated Criminal System (ACS) to record and monitor court operations.

One judge, a court administrator, and a part-time deputy clerk presently staff the court. The borough additionally pays for the services of the municipal prosecutor, public defender, and an hourly employee to assist court personnel on court nights. Prior to March, 2000, there was an additional part-time employee working in the office. As a result, the number of office hours worked per week by court employees was reduced from 67 to 60 per week, not including court nights. In 1999, the salary and benefit costs for the judge, court administrator, and part-time employees were approximately \$88,904. Other expenses equaled \$8,586. Additionally, \$18,757 the borough paid for the municipal prosecutor and \$3,050 was paid for the public defender, although they are not officially municipal court employees.

There is approximately \$206,389 in accumulated outstanding fines in the Fanwood court. The current method utilized to collect these delinquencies was initiated by a previous municipal judge and is not garnering much success. The deputy clerk reviews all existing delinquent time payment files and issues arrest warrants where appropriate. Once a warrant is issued, no further action is taken until a person with an outstanding warrant is arrested or pulled over by the police and brought before the judge. At the end of 1999, there were over 1,500 unexecuted arrest warrants.

The Fanwood court may be a candidate for collection assistance through the Comprehensive Enforcement Program (CEP) offered by the Administrative Office of the Courts. This is a relatively new program offered by the State of New Jersey. Under this program, Fanwood may apply for assistance in locating defendants who have failed to make the required payments and have not responded to regular collection methods. The CEP program retains 25% of all money collected through its efforts, excluding parking violations, victim restitution, and victim of crime compensation board assessments. If, as a result of the CEP program, two-thirds of the delinquent offenders were located and the associated monies collected, the borough would realize a revenue enhancement. However, it would not be solely for municipal purposes. If we conservatively estimate that 50% of the revenue would go towards reimbursing the appropriate state and county agencies and paying the amount due to the CEP program, there would be approximately \$68,797 available to the municipality that could be utilized for municipal purposes. LGBR realizes that revenues received as a result of CEP efforts may span over one fiscal year.

#### **Recommendation:**

**It is recommended that the borough file an application with the Administrative Office of the Courts to participate in the Comprehensive Enforcement Program to eliminate the backlog associated with delinquent time payments.**

**One-time Revenue Enhancement: \$68,797**

## POLICE

The Fanwood Police Department consists of a contingent of 21 uniformed officers and one civilian assistant. According to various people interviewed, the department's staffing has remained stable for at least the last five years. At the time of the review, there was one vacancy in the patrol function. These personnel provide the borough with 24-hour, seven-day per week comprehensive police coverage. The police services that are provided to the residents of Fanwood include routine patrol (preventative measures), responding to calls for service, criminal investigations, traffic safety, oversight and provision of school crossing guards, and various other duties. The total salary and benefit cost for the department in 1999 was approximately \$1,874,771, and other expenses totaled \$65,171. Additionally, overtime payments to uniformed officers, according to payroll records, amounted to \$51,884 and the provision of school crossing guards resulted in salary costs equaling \$52,278.

The borough should be proud of the quality service that is provided by the police department. The review team found the department to be professional and efficient, not allowing some internal problems (to be discussed further in this section) to affect the quality of service that they provide. The problem in Fanwood, however, is trying to maintain a professional police department as costs continue to rise without room for growth (through increased ratables) to pass along those costs.

As is typical in all of the LGBR reports, personnel from the Department of Law & Public Safety (Division of Criminal Justice) are utilized to review the completed police section and offer any guidance and/or suggestions.

### Crime Statistics

Fanwood boasts very comparable, if not lower, crime statistics when compared to its surrounding municipalities (Plainfield and Scotch Plains), the Union County average, and Fanwood's recent past. The first chart compares Fanwood's crime statistics to its surrounding municipalities and the county and the second chart compares Fanwood's crime statistics over the past four years:

	<b>Total Crime Index</b>	<b>Violent Crime Rate Per 1,000 Population</b>	<b>Non-Violent Crime Rate Per 1,000 Population</b>	<b>Total Crime Rate Per 1,000 Population</b>
Fanwood Borough	107	0.6	14.4	15.0
Scotch Plains Township	306	0.7	12.5	13.2
Plainfield City	2,965	14.0	49.9	63.9
Union County Average	N/A	5.0	40.8	45.8

	<b>Total Crime Index</b>	<b>Violent Crime Rate Per 1,000 Population</b>	<b>Non-Violent Crime Rate Per 1,000 Population</b>	<b>Total Crime Rate Per 1,000 Population</b>
Fanwood Borough (1999)	107	0.6	14.4	15.0
Fanwood Borough (1998)	99	0.7	13.2	13.9
Fanwood Borough (1997)	186	1.1	25.0	26.2
Fanwood Borough (1996)	160	0.7	21.5	22.2

Fanwood is typical of a majority of municipalities in that the amount of criminal activities has been on the decline in recent years. Additional factors that contribute to Fanwood's low criminal activity include a focus on motor vehicle stops and the borough's small size. It is commonplace that two, and sometimes three, officers are patrolling the borough's 1.3 square miles. This police presence acts as a natural deterrent to would-be criminals. In many towns, an area the size of Fanwood would be one patrol sector (or a portion of a patrol sector) for one patrolman.

### **Workload**

The activities of the department are presently recorded on an in-house computer system. During the review process, the department was actively looking into implementing a computer-aided dispatch (CAD) system that would assist with the department's dispatching capabilities and create a comprehensive recording system for department activities.

It was somewhat difficult for the review team to determine the actual workload or calls for service that required an officer's attention and/or response. This was a result of the department recording all of its activities on its computer system, instead of those activities that represented actual service calls that required an officer's attention. For example, the information provided to the review team included statistics for processing personnel requests, handling, checking, and releasing prisoners, processing bail payments, and many other activities that are not typically considered calls for service. Additionally, there were some instances of double counting in that the system records both motor vehicle stops and the number of summons issued. As a result, the review team tried to determine a more realistic number of calls for service. The review team discounted those activities that were easily determined to be non-calls for service. For those activities that the team determined to be questionable, we discounted ½ of those records. The following chart represents the team's estimation of the true calls for service for the department for the last four years:

<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
12,164	11,220	10,142	8,445

As can be clearly seen, the department's activities have steadily declined over the last four years. The decline in activities equaled 3,719 calls for service or a drop of approximately 30%. Although the number of calls for service has been on the decline, the department still responds to a relatively high number of calls for a municipality the size of Fanwood. This is due to the department being very service oriented and providing services that other municipalities can't due

to excessive workloads and time constraints (i.e., lockouts and house checks). Additionally, the department's number of calls for service is increased due to the emphasis on motor vehicle stops and traffic safety. In 1999, the department conducted 2,774 motor vehicle stops, which represents approximately 33% of their workload.

### **Rules and Regulations**

The review team requested the department's rules and regulations and policies by which the officers are to abide by. The department provided the team with a manual that is supposed to be given to each officer. Said manual has not been updated for some time, as there are references that date back too as early as 1975. According to department officials, they are aware of the need to update their rules and regulations and policies and are presently undertaking the task of updating the manual. Through a review of the manual and the interview process, it seems apparent that some of the written procedures contradict current practices. It was also a perception of some of the officers that this contradiction allows for discretionary application of discipline. This perception creates an "us versus them" attitude between the lower ranking officers and the police administration and adds to a morale problem that exists in the department.

### **Recommendations:**

**It is recommended that the administration continue in its efforts to review and update the rules and regulations and policies of the department as soon as possible. This is necessary so that each officer knows exactly what is expected of them and so supervisors can correct improper procedures and discipline when appropriate.**

**It is recommended that when this manual is updated the department should conduct in-service training for each of the officers. Employees should be trained on what is expected of them and supervisors should be trained on how to implement the manual. Consistent application of department rules results in a more professional department and should help to address a portion of the department's morale problem.**

### **Organization**

The department is under the supervision of a chief. One civilian employee assists the chief with daily activities. The rest of the department is divided into two divisions: patrol and operations. The patrol division is under the supervision of a captain and the operations division is under the supervision of a lieutenant. Each of these personnel works a staggered eight-hour day on Monday through Friday. Coverage by these supervisors begins at approximately 7:00 a.m. and ends at approximately 5:00 p.m.

### **Patrol Division**

The patrol division is under the supervision of a captain. The captain, in addition to overseeing the traditional patrol and dispatching functions, is responsible for officer training, uniforms and equipment, scheduling, building maintenance, office supplies, and overseeing two special policemen. The traditional patrol and dispatching functions are provided 24-hours per day, seven days per week by four platoons. Each platoon consists of a sergeant, corporal, and two



patrolmen. At the time of review, the fourth platoon was where there was a vacancy. The total salary and benefit cost for the patrol function, including the captain and excluding the one vacancy, was approximately \$1,419,048.

### **Patrol - Supervision**

The sergeant is the shift supervisor and typically is responsible for staffing the police desk and performing the dispatching. If the full platoon complement is present, there is a protocol that calls for the sergeant to provide a few hours of road supervision while the corporal dispatches any calls for service. No records were provided as to how much time the sergeants actually spent on the road supervising patrol officers, but it was reported by more than one person that this protocol is not regularly enforced and is left to the discretion of the patrol sergeants. The corporal, which does not require a test for promotion: 1) will act as road supervisor for the majority of the shift if there is a full complement of patrol employees; 2) will act as a patrolman if one of the patrolmen is absent; or 3) may cover the dispatch area if the sergeant is absent. (During the daytime hours, officers not assigned to patrol will often be assigned to cover the desk area.)

Since there is a sergeant, corporal, and two patrolmen on each platoon, the resulting ratio of supervisors to patrolmen is one to one. This ratio far exceeds acceptable standards of one supervisor for every four to five patrolmen. Some reasons given why the corporal position is in existence is to assist with supervision as the sergeant is typically on the desk doing dispatching and it acts as an incentive for patrolmen as there is typically not as much upward advancement in small departments as there is in larger departments. The corporal rank receives an additional \$750 per year and the resulting cost for four corporals is \$3,000 per year.

### **Recommendations:**

**It is recommended that the position of corporal be phased out of the department's organizational structure.**

**Cost Savings: \$3,000**

**It is recommended that as a result of the above recommendation, the department should create an "acting pay" policy. This policy should assign appropriate authority to one of the platoon patrolmen, if the sergeant is absent, and should only appropriate additional pay if the acting supervisor is consecutively in the position for an extended period of time (e.g., two full rotations or eight consecutive days).**

### **Patrol - Dispatching**

Uniformed officers currently conduct the dispatching function for the borough. Typically, the platoon sergeant or corporal perform these duties. These officers not only dispatch for police calls, but they also dispatch fire and EMS calls. Using the average cost of \$96,337.50 for a sergeant in Fanwood, the approximate salary and benefit cost to provide dispatching services to the municipality is \$385,350. (This figure is included in the total patrol cost of \$1,419,048.)

It has been common for many municipalities to replace uniformed officers on the dispatch desk with trained civilian dispatchers or contract with another entity to provide the service. In these instances the municipality will generally receive similar or better quality dispatching at a much-reduced cost. The review team feels that there are three options available to Fanwood and that it would be in the borough's interest to investigate such options and implement the one that works best for the municipality.

#### *Option #1*

The first option would be to hire civilian dispatchers to cover the entire day. Under this scenario, the borough would have to hire four full-time dispatchers (one for each platoon) and utilize per-diem dispatchers and trained officers on overtime to cover for any full-time dispatcher absences. In past LGBR reports we have found salary and benefit costs for trained, civilian dispatchers to be approximately \$22.13 per hour or \$46,030 for a 2,080-work year. The cost for four full-time dispatchers would be approximately \$184,120. Additionally, the borough would have to fund replacements for full-time dispatcher absences. From our past reviews, we have found that a typical employee can be expected to be on vacation, sick leave, personal leave, etc. for approximately 400 hours per year. As a result, there would be approximately 1,600 hours per year that would need to be covered by other personnel. If per-diem employees could be utilized to cover 800 hours per year at \$15 per hour, that cost would be approximately \$12,000. If trained officers were utilized for the other 800 hours at an average overtime rate of \$42.20 (based on an average patrolman salary of \$58,500), that cost would be approximately \$33,760. The approximate salary and benefit cost for the dispatching service, under this scenario, would be \$184,120 for the full-time dispatchers, \$12,000 for additional civilian coverage, and \$33,760 for additional uniformed coverage. This results in a total salary and benefit cost of approximately \$229,880.

It is the opinion of the review team that Option #1 is the least attractive option as it results in having a civilian in the building alone during the evening hours. The review team feels there is a potential liability now, when there is a uniformed officer in the building alone and the public is free to come into the building and conduct business. There are also times when the officer has to oversee prisoners. We feel this potential liability would be significantly increased with having a civilian in the building alone during the evening hours.

#### *Option #2*

The second option would be for the borough to hire two full-time civilian dispatchers for the day shifts and enter into an inter-local agreement with one of their surrounding municipalities to provide dispatching services during Fanwood's night shifts. Since typically calls for service diminish during the late evening hours, it is believed that Fanwood's calls for service could probably be handled by the other municipality's dispatching crew, with Fanwood paying for a portion of the associated costs. Since all of the information was not available to the review team, however, we cannot be certain and we will provide a "worst-case" scenario.

Under this scenario, the cost of salary and benefits for two full-time dispatchers during the day would be approximately \$92,060 and the cost to provide coverage for time off would be approximately \$22,880. Additionally, under this worst case scenario, the borough would have to

pay the municipality providing evening dispatch service for approximately \$92,060 in salary and benefit costs to hire two additional dispatchers to handle Fanwood's calls for service during the evening hours. We do not feel there would be a need to pay additional money to cover for time off, since there should be adequate full-time resources to cover for the time off. The resulting cost under this scenario would be approximately \$207,000.

This scenario is seen as an attractive one in that it reduces the liability of having a person alone in the police station during the evening hours and it also allows the borough, during the daytime, to have an additional contact with the public to conduct official business. As said earlier in this report, the administrative officers stagger their workday to ensure supervisory coverage from 7:00 a.m. to about 5:00 p.m. Under this scenario, the workday should be staggered a little more to ensure supervisory coverage from 7:00 a.m. to 7:00 p.m.

### *Option #3*

The final option would be for the borough to enter into an inter-local agreement with a surrounding municipality to provide 24-hour per day dispatching services. Similar to Option #2, the review team feels that the borough could be able to obtain these services without having to pay another municipality to hire additional dispatchers on all shifts. There may be portions of the day where existing staff could handle Fanwood's calls for service in addition to what is already handled and Fanwood would just pay a portion of the existing dispatcher's salary and benefit costs. Since all of the information was not available to the review team, however, we will again take a "worst case" scenario to this option.

The worst case scenario for this option would be to pay a surrounding municipality approximately \$184,120 to hire four dispatchers. That municipality would then provide complete 24-hour per day dispatching service to Fanwood. Similar to Option #2, we do not feel there would be a need to pay additional money to cover for time off, since there should be adequate full-time resources to cover for the time off.

### *Conclusion*

Regionalized dispatching has worked remarkably well in many other communities and there is no reason to believe that it would not work in Fanwood. In addition, the borough should investigate the possibility of receiving grant money from the State of New Jersey's REDI & REAP programs which encourage regionalized services.

The review team did not factor in the cost of equipment and equipment maintenance when we did our analysis. As one might expect, the borough would realize substantial savings and achieve greater economies of scale if they combined with another municipality. Instead of having to pay for all of the equipment and maintenance costs, the borough would only have to pay a portion of those costs if it entered into an inter-local agreement for dispatching services with another municipality.

## **Recommendations:**

**The borough should eliminate the current practice of utilizing patrol sergeants for dispatching and place them back on the road.**

**The borough should act on one of the options above for utilizing civilian dispatchers.**

**Value Added Expense: \$184,120 - \$229,880**

**Depending on the option that is selected, the borough should investigate the possibility of holding prisoners at the municipality providing the dispatching or taking prisoners directly to the county jail for processing when there are no officers available to provide the necessary attention to said prisoners.**

### **Patrol – Staffing & Schedule**

The uniformed officers in this function work a four on, four off schedule consisting of 12-hour days. The officers rotate from the day to night shift after two rotations. The current schedule results in a workweek of approximately 42-hours. Since this workweek results in a work year in excess of a standard 2,080 hour work year, officers are given approximately 100 “Kelly” hours to utilize as time off when the schedule permits. As part of our review, we conduct a staffing analysis based upon standards created by the State of New Jersey’s Division of Criminal Justice.

The borough is split into two patrol sectors and the department utilizes a minimum of two uniformed officers on the road at all times to provide routine patrol services. While the review team does not feel that a municipality the size of Fanwood necessarily requires having two patrol sectors and a minimum of two patrol officers on the road at all times, we do realize the need of the department to provide some semblance of backup to their officers. As a result, we agree with the minimum of two so long as the shift commander is included in the analysis. In including the sergeant in the analysis, it should be pointed out that there will be times, because of time off, when he/she must be a responder to calls for service. In utilizing the beat patrol method of the staffing analysis, which accounts for employee leave time, we found that the borough would need approximately 11 patrol officers, including sergeants, to maintain a minimum of two patrol officers on the road at all times.

The review team also utilized a formula that is based upon Fanwood’s calls for service and employee time off. Since the department’s computer system was not able to provide an accurate average time that officers spent on a call for service, the review team utilized Division of Criminal Justice standards. Based on the 8,445 calls for service and the division’s universal standard of approximately 45 minutes spent on a call for service, we found that the department should have 11.39 officers assigned to patrol to deal with the workload. Using 8,445 calls for service and the divisions standard of 30 minutes per call for service for small municipalities, we found that the department would need 7.59 officers assigned to patrol to deal with the workload.

As a result of the above staffing analyses and taking the sergeants off of the dispatch desk and placing them back on the road, we feel that the appropriate staffing for each of the platoons

should be one sergeant and two patrolmen. The borough, through attrition or layoffs or firings, should eliminate four patrolmen positions from its police department. Using the four lowest patrolmen salaries, the resulting salary and benefit savings to the borough would be approximately \$306,093. The review team does not feel that this should have any appreciable impact on the amount of overtime taken to cover short-shifts due to sick leave.

**Recommendation:**

**The borough should eliminate four patrolmen positions from its police department.**

**Cost Savings: \$306,093 (salary and benefit costs)**

Probably the biggest factor to the morale problem within the department concerns the rotating shifts. Numerous officers complained that rotating from the night shift to the day shift every 16 days was difficult to do and took a toll on them physically. Some of the officers see the schedule as some sort of punishment. Discussions with the administration gave some valid reasons for rotating the officers from the day to night shift. A few reasons included giving the opportunity for personnel to be introduced to all types of criminal activity, making it possible for the administration to keep in contact with all of the officers, and making it easier to schedule training, as many training sessions are only conducted during the daytime hours. Discussions with the administration made it clear that they did not want to go back to steady shifts.

**Recommendation:**

**While the review team fully recognizes and supports the administration's prerogative to create department schedules, we do recommend, however, that the administration and the officers create a dialogue to possibly find a middle ground to the rotating schedule. One possibility would be to extend the time between rotations to more than every 16 days.**

The department calls people in on overtime when another officer is needed to make the minimum of two officers on the road. In order to minimize the amount of overtime issued, the department has a policy to only allow one officer on a platoon to schedule time off on a particular day.

**The department should be commended for this cost-effective policy.**

**Police – Special Officers**

The department utilizes special officers to act as court bailiffs, conduct traffic control at special events, and to conduct a walking patrol for two hours on Thursday evenings in the downtown district. This practice of assigning a special officer to the downtown district stems from a past practice dating back to when local banks were open late on Thursday evenings and needed additional presence. The practice of assigning a special officer to the downtown district on Thursday evenings costs the borough approximately \$1,150 annually. The review team feels that this is an unnecessary expense and patrolmen on duty could easily handle this service by creating a “park and walk” patrol in which the patrolmen would walk the downtown areas at various times of the day and throughout the week. This would serve to further deter any potential

criminal activity and would provide for healthy interaction with the business owners in the downtown district. This type of interaction with the public is imperative for any department trying to create or enhance a community policing philosophy and at the present time, the review team feels that this interaction is somewhat lacking on a department wide basis.

**Recommendation:**

**The practice of assigning a special officer to the downtown district on Thursday evenings should be eliminated. In its place, we recommend that the department create a “park and walk” policy, in which the patrol officers would park their police cars and walk the downtown area during various times of the day.**

**Cost Savings: \$1,150**

**Patrol – Motor Vehicle Stops**

According to department policy, each officer is required to put in at least one-hour of radar work during his shift. This policy is a reflection of the department’s focus on motor vehicle stops. The administration feels that if a department focuses on motor vehicle activity, it will create a much safer environment for the residents and will help to deter crime as would be criminals would not want to risk the chance of being pulled over on a motor vehicle stop.

In 1999, the department conducted 2,249 motor vehicle stops and 435 equipment stops. As a result of those stops, the department issued 1,431 moving violation summons and 15 driving while intoxicated (DWI) summons. For comparison purposes, in 1996, the department conducted 2,679 motor vehicle stops and 1,438 equipment stops. In 1996, the police stops resulted in 2,789 moving violation summons and 40 DWI summons. In just four years, the number of moving violation summons that were issued declined by almost 50%.

This decline in issued summons has become somewhat of a point of contention between patrol officers and the police administration. The patrol officers feel that they are giving adequate attention to motor vehicle activity, while the administration feels that motor vehicle activity has been somewhat neglected and has resulted in a less safe environment for the borough residents. We feel that a comprehensive review should be done of accident data over the past four to five years. This data should then be compared to the number of motor vehicle summonses that were issued during the same time period. If it is found that accidents increased during these years when motor vehicle summonses decreased, both the patrol officers and administration should come together and discuss alternatives to address the problem.

**Recommendation:**

**The traffic sergeant should do an in-depth analysis of motor vehicle accidents versus motor vehicle summonses issued over the past four to five years, in order to assess whether the department should address the amount of attention given to motor vehicle activity.**

## **Operations Division**

The operations division is under the supervision of a lieutenant. This lieutenant, although in a supervisory position, spends the majority of his time doing criminal investigations and its associated duties. Other duties of the lieutenant include maintaining the department's records function, controlling the evidence room, reporting NCIC statistics, and dealing with firearms (permitting, training, qualifications, and maintenance). Besides the lieutenant, there is a traffic safety sergeant and one detective. The salary and benefit cost for the operations division was approximately \$291,133.

## **Operations – Criminal Investigations**

As was stated in the previous paragraph, there are two people assigned to do the department's traditional detective work. The detective is assigned these duties full time, while the lieutenant estimates that he spends more than half of his time on detective work. The traffic sergeant also has been trained in criminal investigations and assists when his services are needed. The staffing of this function has remained constant for many years. Both the lieutenant and detective are scheduled to work Monday through Friday during day and early evening hours. Both employees are on-call for any after-hours assistance that may be required.

These personnel conduct all of the criminal investigations for the department, including adult crimes, juvenile crimes, and drug offenses. Each criminal investigation also triggers a follow-up investigation. The three personnel also process any crime scenes for evidence.

Although the department's workload has decreased significantly over the past few years, the staffing in this function has remained stable. The actual amount of criminal activity within a town has a direct impact on the workload in the criminal investigation function. As was shown earlier in this report, the actual criminal activity (total crime index) within Fanwood went from recent highs of 160 in 1996 and 186 in 1997 to lows of 99 in 1998 and 107 in 1999.

As a result of past LGBR reviews, we have been able to create some benchmarks for the number of investigative personnel necessary for a municipality. For purposes of our analysis, we utilized a full-time equivalent (FTE) of 1.75 officers assigned to the detective function. We have found departments that range from 81 crimes per detective to 237 crimes per detective. As a result of this information, we typically recommend that a municipality needs a detective for every 100-150 crimes within its borders. Utilizing an FTE of 1.75 detectives, Fanwood had about 57 crimes per detective in 1998 and about 61 crimes per detective and during 1999. Both of these figures are well below LGBR internal benchmarks.

As a result of these benchmarks and the significant decrease in criminal activity within Fanwood, we recommend that the detective position be eliminated and a part-time civilian employee be hired to assist the operations lieutenant and traffic sergeant with their other duties so that they can expand their focus on criminal investigations. In doing so, Fanwood's crime per detective would increase to approximately 100 crimes per detective and fall within LGBR benchmarks for the appropriate number of detectives within a department. Even if Fanwood's crime index were to increase back up to the level approaching 160, this would still create a crime to detective ratio that would just barely exceed acceptable LGBR benchmarks.

In order for the above to work, changes must be made in the area of patrol dispatching. During 1999, operations division personnel spent 808 hours, or a little less than half of a full-time work year, filling in for absences on the dispatch desk. Under the options given to the borough concerning dispatching, there would no longer be an issue as dispatching would be the concern of another entity or there would be appropriate funding available to utilize per-diem employees or officers on overtime to cover for the absences.

#### **Recommendations:**

**It is recommended that the borough hire a part-time civilian to assist the operations lieutenant and the traffic sergeant with duties not required to be completed by a sworn officer. Such items could include working with the records function, assisting with NCIC reporting, maintaining firearms training logs, coordinating crossing guard schedules, counting parking lot money, scheduling and logging vehicle repair and maintenance, and providing valuable administrative assistance (answering phones, preparing correspondence, copying, and procurement).**

**Value Added Expense: \$17,500 (salary costs)  
(\$12.50/hour – 25 hours/week)**

**It is recommended that the position of detective be eliminated from the department's organization and that the lieutenant be responsible for all investigations with expanded assistance from the traffic sergeant.**

**Cost Savings: \$90,922 (salary and benefits)**

The review team noticed that the operations lieutenant didn't have much input or control into his annual budget. Any purchases that he would like to make need to go through the chief and are accounted for in a departmental line item.

#### **Recommendation:**

**It is recommended that the operations lieutenant is given some input into what his annual budget will be and a line item should be assigned to the investigation function as many supplies are purchased specifically for usage in this area.**

#### **Operations - Traffic Safety & Municipal Parking Lots**

Under the supervision of the operations lieutenant, a sergeant is responsible for the department's traffic safety function. This person is currently responsible for enforcing motor vehicle and parking regulations, collecting money from the municipal parking meters at the railroad station, overseeing the crossing guards, investigating accidents, and scheduling the repair and maintenance of department vehicles. In addition to those duties, this person also assists with criminal investigations when the workload warrants.

Fanwood maintains municipal parking areas at the railroad station. The vast majority of the parking areas have been assigned to long-term parking where people can purchase monthly, quarterly, or yearly permits. Fanwood residents get the first chance at the parking permits.



Yearly resident permits cost \$180 and non-resident permits cost \$360. In addition to the permit spots, there are approximately 30-40 parking spots allocated to daily parking for those people who might take the train on an occasional basis. A \$2 fee is assigned to the daily parking spots. The police department is responsible for collecting all the revenue from the parking lots and in 1999 they collected \$138,501 in permit revenue and \$17,053 in daily parking revenue. Various department personnel sometimes collect and count the parking money before it is given to the finance officer and, while none of the employees are covered under an individual surety bond, they are covered under a municipal blanket bond. According to the police personnel, the practice of selling monthly, quarterly, and yearly parking permits creates a lot of extra work for the department personnel.

#### **Recommendation:**

**It is recommended that the police department and governing body discuss the option of eliminating, at a minimum, the monthly permit. There is currently a refund policy in place if a person does not need the parking space for the entire time that was purchased.**

Money is typically collected from the daily parking “slot box” on Fridays by the traffic sergeant. Normally the money is brought back to the department and counted by the sergeant before the patrol captain records it and transfers to the finance officer. There are times when this is not possible and other department employees count the funds. On one occasion the review team found the captain and chief counting the money and was told by them that it wasn’t such a rare occurrence. It was estimated that the counting of the daily parking money takes in excess of 30 minutes. The review team feels that it is unnecessary for such highly paid personnel to be counting daily parking money. As a result, we recommend that the counting of daily parking money be assigned to the part-time civilian that was recommended to be hired.

#### **Recommendation:**

**Transfer the counting of daily parking money to the newly created part-time civilian position.**

A report was completed by one of the department’s sergeants concerning the parking lot fees. This report compared Fanwood’s fees to some of its surrounding municipalities. That report shows that some of Fanwood’s surrounding municipalities are charging between \$300 and \$360 for its yearly resident parking permit, while Fanwood is only charging \$180. Similar disparities exist for the quarterly and monthly permits. These towns are similar to Fanwood in which they oversell their lots (due to “no shows”) and there is a waiting list for permits. While the review team did not conduct an in-depth review of the parking permits issued in Fanwood, if the borough increased their residential parking permit to levels of some of its surrounding municipalities, there would be a substantial revenue enhancement for the borough. It is very conservatively estimated that this increase would result in an additional 10% in total revenue or approximately \$13,850.

**Recommendation:**

**It is recommended that the borough consider raising the cost of its resident parking permits at the railroad station.**

**Revenue Enhancement: \$13,850**

**Vehicles**

The department operates with a total of seven vehicles. One vehicle is assigned to the chief, three vehicles are assigned to patrol and are used 24 hours per day, one vehicle is utilized as a “stealth” vehicle, one vehicle is assigned to traffic safety, and one vehicle is assigned to investigations. The fleet is relatively new, with three vehicles being purchased in 1999, and only one vehicle has over 50,000 miles on it. Vehicles are supposed to be checked out on a daily basis and any malfunctions are to be reported to the traffic sergeant.

The vehicles are maintained and repaired at a local garage, as there are not enough personnel in the public works department to do the required work. Routine maintenance is scheduled on a somewhat consistent basis. The total cost for repairs and maintenance of the police vehicles was \$8,730, including \$1,173 for tires. That represents a repair and maintenance cost per vehicle of \$1,247. The department should be commended for their cost efficient approach to vehicle repair.

Many people brought up to the review team that there was a need for one additional vehicle in the department. This vehicle could be used by officers who need to travel to training sessions and/or court appearances and could be used as a back-up vehicle. It is the opinion of the review team that this is a rational request.

**Recommendation:**

**It is recommended that the next time the borough obtains police vehicles, one of the older vehicles should be kept, instead of sold or auctioned, to increase the police fleet to eight vehicles. The borough would need to anticipate an additional \$1,247 in repair and maintenance costs and an undetermined amount of money for insurance costs in subsequent budgets.**

**Value Added Expense: \$1,247**

As was stated earlier in this report, three vehicles were purchased in 1999 for the police department. The capital cost for those vehicles was \$62,848, while in the four years prior only one vehicle was purchased each year at no more than \$20,692. This leads us to believe that there is no sort of planned vehicle replacement plan in place to minimize budget fluctuations. Consideration should be given to creating a planned replacement schedule for the borough’s police vehicles. This would enable the borough to adequately plan for future capital purchases and reduce the risk of having a large capital purchase take the governing body by surprise.

### **Recommendation:**

**The borough should consider creating a planned vehicle replacement plan for police vehicles. Discussions should include the police department.**

### **Training**

According to financial documents, only \$1,200 was appropriated for the training of police officers. This small amount does not allow the department to send its officers to training that they feel would benefit the community. Various free training sessions are provided by the county and State of New Jersey, but there are often training sessions that appear to be beneficial to some Fanwood officers, but there is often no money available. The more training that a department attends only helps to further its effectiveness and professionalism. Additionally, it can help to reduce the liability to the borough.

### **Recommendations:**

**It is recommended that the borough determine, through discussions with the police department, what a more appropriate training budget should be.**

**It is recommended that the department train some of its officers as “trainers.” These personnel could be sent to the training programs that cost money and come back and train the other department employees in what was taught.**

### **Testing/Promotions**

According to the administration, efforts are being put forward to standardize the promotional procedures within the department. As a result of the borough not being governed by civil service regulations, they have a lot more flexibility in their testing procedures. This flexibility, however, is seen by some within the department as a way to promote “favorites” and contributes to the morale problem within the department.

### **Recommendation:**

**It is recommended that the police administration do everything possible to standardize the promotional process as soon as possible.**

### **Future Considerations**

The review team hopes that the above recommendations in no way discredit or minimize the professional and efficient work that is put forth by the Fanwood Police Department and its employees. In talking to various people and reading portions of the community assessment report, it is quite obvious that the borough is proud of its police department, wants to retain the level of service that is provided, and is willing to pay for comprehensive borough police services through its taxes. The review team understands why the residents of Fanwood would feel that way and supports that position.

We would be remiss, however, if we didn't point out the potential for additional cost savings without a large reduction in service if economic factors do not remain the same. If, in the future, the borough decides that it can no longer pay for comprehensive borough police coverage through its existing arrangement, the review team feels that there is a good opportunity for a consolidated service with a surrounding municipality. The most favorable option would be to consolidate police services with Scotch Plains as it surrounds Fanwood on three sides.

Under a consolidated arrangement, the borough would continue to receive high quality police services, as Scotch Plains' crime statistics have been similar to those in Fanwood during recent years. Additionally, the borough would have additional resources and expertise available to call upon when needed. The downside to this arrangement, however, would most likely be that the residents would not be able to receive the same personal service (i.e., lockouts & house checks) that they currently enjoy.

We would recommend that the borough requires, and pays for, two officers per shift. This would create a minimum of one person patrolling Fanwood at all times, but borough residents would still enjoy at least two officers patrolling the borough for more than half of the year. The main savings to the borough, under a consolidated arrangement, would be in that Fanwood could eliminate having to pay for its administrative officers and line supervisors. Since Fanwood is so small, it is estimated that the borough would only have to pay for a portion of the supervisory and administrative personnel that are already in place within the other municipality. The review team conservatively estimates that 25% of the administrative and supervisory salary costs could be saved through a consolidated police department with a surrounding municipality. There would also be significant savings on vehicles and equipment due to economies of scale. State of New Jersey REDI and REAP grant funds are available for the research and implementation of shared and consolidated services.

## **FIRE**

The borough receives its fire suppression services from a dedicated group of volunteers. The overwhelming majority of the volunteers are Fanwood residents, but, because the department has had a difficult time recruiting new members, it has recently opened its membership to residents living in other communities. There are presently a few members who reside in Scotch Plains, since it is quicker for them to respond to the firehouse in Fanwood (located at Borough Hall) because of the way Scotch Plains surrounds Fanwood. Besides the chief, there are two assistant chiefs, one captain, two lieutenants, and, normally, between 30-35 additional volunteers.

Besides the \$91,829 spent for hydrant services, the other expenses totaled \$32,596 in 1999. From that other expense, \$4,000 was designated as a clothing allowance. This allowance was distributed among the volunteers who made at least 45% of the calls for service. During 1999, they went on 247 calls for service, which include at least two drill nights per month. The volunteers are currently dispatched by pager by officers in the police department. Of the 247

calls for service, there are typically no more than a few structure fires in Fanwood, although the department does respond to numerous structural fires in other communities through their mutual aid agreements. The borough presently has agreements with both Scotch Plains and Plainfield.

Besides responding to emergency calls for service, the volunteers also do some education programs at the schools. In 1999, the fire chief estimated that they trained over 300 kids through their presentations at the schools. Traditional fire prevention services are provided separately by a part-time borough employee at a salary cost of \$2,796 and another expense cost of \$1,583.

According to the department personnel, the borough's apparatus is in fairly good shape for being somewhat aged. There are two front-line pumpers that date back to 1983, one reserve pumper that dates back to 1969, one rescue truck that at one time was an ambulance serving the Town of Morristown, and a chief's station wagon that dates back to 1990. At time of review there was discussion with the borough to purchase one new pumper truck to put on the front-line. The borough would then move one of the 1983 pumpers into reserve and retire the piece of apparatus from 1969.

Although the department feels that they have a good complement of dedicated volunteers at the present time, it still needs to continue its recruiting efforts as volunteer levels often fluctuate from year to year. The initiatives that the department has utilized to recruit volunteers include asking for assistance through mailed literature (including the borough's newsletter), advertising on the local access cable channel, making presentations at school career days, and interacting individually with contacts. It is felt by some that the borough is not always as supportive of the volunteer department as it should be. For example, some members feel that the borough looks down upon having employees, who are also volunteers, respond to calls for service during the workday. While the review team realizes the effect that losing one or two people can have on a workforce as small as Fanwood's, we do feel that the borough should allow the volunteers to respond at least to the significant fires or to calls when not enough volunteers seem to be responding. It was also noted, however, that the borough was planning to implement a Length of Service Award Program (LOSAP) as a show of support to the borough's volunteer organizations and to assist with recruiting efforts.

**The borough is commended for its use of volunteers to provide quality fire suppression service to the resident of Fanwood. This activity provides a much-needed service and saves the taxpayers considerable expense when compared to funding a paid fire department.**

#### **Recommendation:**

**It is recommended that the volunteer fire department and borough mutually create a protocol that allows borough employees to respond to emergency calls based upon criteria such as magnitude of emergency and number of volunteers that are responding.**

## **EMERGENCY MEDICAL SERVICE (EMS)**

The Fanwood Rescue Squad, a private not-for-profit organization, provides borough residents with emergency medical services through the efforts of its volunteer members. The squad recently celebrated 50 years of servicing Fanwood's residents in 1998. At time of the review, there were 33 active members and numerous "life" members.

The squad responded to 586 calls for service in 1999, which was a 12% increase from 1998. Of those calls, 106 were as a result of mutual aid calls from other communities. Fanwood only called on mutual aid 11 times in 1999. Based upon the squad's records, the organization provided the borough with 2,464 volunteer hours responding to emergencies, 445 volunteer hours doing community service, and 1,001 volunteer hours taking courses to be properly trained and certified.

The squad utilizes both a 1998 ambulance and a 1990 ambulance to respond to emergencies. The organization is planning in 2002 to re-chassis the older ambulance to extend its useful life at a much-reduced cost than purchasing a new one. Re-chassing the ambulance is estimated to cost \$67,500 and should extend the useful life of the vehicle by at least 10 years. This is compared to purchasing a new ambulance at a cost between \$125,000 and \$150,000.

**The squad should be commended for this economical approach to extending the useful life of its equipment at a much-reduced cost when compared to purchasing a new ambulance.**

### **Membership/Volunteers**

Having 33 members to respond to 586 calls for service seems like an adequate number of volunteers, but the squad maintains that they are in desperate need to recruit and maintain volunteers. In looking at their response data, it was easy to see their concern. Four people responded to 47% or more of the total calls for service, while the next highest person responded to 20.48%. Based upon 586 calls, that is a difference of 157 calls between the fourth and fifth highest responders. Additionally, only 12 of the members responded to more than 10% of the calls for service, which translates to 59 responses. It is quite obvious that the squad is in need of additional volunteers as only a small number of people are basically providing the EMS service to the residents of Fanwood.

The squad has tried and will continue to try a variety of recruiting efforts to solicit volunteers. It has become a difficult task, as it seems as though people don't have the desire and/or time to volunteer anymore. The efforts utilized by the squad include sending out newsletters and postcards, advertising on the local access cable channel, and advertising in the community paper. The borough has recently tried to assist with the recruiting and maintaining of volunteers by supporting the initiative of the Length of Service Award Program (LOSAP), which is basically a pension system for volunteers based upon the number of calls, drills, etc. that they respond to in a given year.

According to the squad, there have been some preliminary discussions with the borough about possibly training and utilizing the borough's police officers further as first responders in an effort to better assist victims medically and assist the rescue squad as a result of their volunteer response problems.

### **Recommendation:**

**The review team fully supports the idea of training and utilizing borough police officers further as first responders do. Borough police officers can arrive at the scene of an emergency much faster than a volunteer ambulance and should be able to adequately assist the victim until the ambulance arrives.**

In an effort to address the potential problem that Fanwood might not always be able to get an ambulance out the door due to the response problem that was stated above, the squad entered into an innovative agreement with Scotch Plains. Besides having a traditional mutual aid agreement with Scotch Plains, the two squads also have an agreement in place to mutually respond to a call for service if neither can get an ambulance to the scene.

Under this agreement, if the Fanwood Rescue Squad cannot get an ambulance on the road due to lack of volunteers, a mutual aid call will then be made to Scotch Plains. Scotch Plains will then try and put an ambulance on the road with its own volunteers to respond and cover for Fanwood. If Scotch Plains is then unsuccessful at getting an ambulance on the road, Fanwood and Scotch Plains will combine available resources and personnel to get an ambulance to the scene of the emergency call. The process would reverse if Scotch Plains were to receive an emergency call for service and could not get an ambulance on the road. This cooperative partnership, instead of being bound by "home rule", is a refreshing, efficient, and innovative way to provide necessary EMS services to the residents of both Fanwood and Scotch Plains.

**This innovative approach to mutual aid is considered a "best practice" that should be emulated in other municipalities.**

### **Borough Contributions**

Up until the mid 1990's, the squad was able to fully support itself financially, including maintaining the building and purchasing and maintaining supplies, equipment, and vehicles. Being a private, not-for-profit organization, the squad owns the building, supplies, and equipment that are used to provide the EMS service to the borough residents. The borough, however, owns the land that the squad building stands on. Due to the fact that costs for supplies, equipment, vehicles, insurance, etc. continue to rise exponentially, revenue received through the borough's fund-raising activities have remained constant, if not a slight decline.

As a result of the above, the squad has had to ask for financial assistance from the borough in the past few years. In 1999, the borough gave the squad \$8,000. That assistance followed \$2,000 and \$25,000 in 1998 and 1997, respectively. The \$25,000 in 1997 went directly towards the purchase of the 1998 ambulance. All money that is received from the borough goes directly into an ambulance fund to pay for future capital improvements to the ambulance fleet, whether that be

re-chassing or purchasing a new ambulance. The squad is able to cover its operating expenses and maintain a small surplus through the money it receives through its fund-raisers and donations.

Besides direct monetary assistance, the borough has also begun to give some indirect and non-recurring assistance to the organization. The borough provides for the maintenance of the grounds and parking lot around the squad building, pays for the workers' compensation insurance of the volunteers, provides for Hepatitis B shots to the volunteers, paid for the majority of the building's fire alarm system, paid for the installation of a emergency generator, and will be paying for the generator's annual maintenance costs. In return for the assistance that is provided to them, the squad not only provides EMS services to the borough residents, but it also provides the police department with CPR training and keeps the patrol cars stocked with first-aid supplies and oxygen.

### **Recommendation:**

**Under the current arrangement, it seems as though the residents of Fanwood are getting high quality EMS service without having a large financial burden being placed on the taxpayer of Fanwood. This being said, however, should the rescue squad's financial position worsen and it requests substantially more support from the municipality on an annual basis, we recommend that the organization look into changing its organizational structure so as to allow them to bill insurance companies and Medicare for services that are provided. Billing for services rendered is currently a popular alternative in many New Jersey municipalities.**

## **PUBLIC WORKS**

### **Management and Structure**

Fanwood's Public Works Department is comprised of 10 full-time personnel, including a director, a foreman, an assistant foreman, six general maintenance workers designated as "operators," and a secretary. Except for the addition of the secretary about eight years ago, staffing has remained constant for over 30 years. The combined cost of salaries and benefits for 1999 was \$511,727. Other expenses amounted to \$152,958.

The director and foreman have over 80 years of experience in the department between them. The director is a certified public works manager and is also a program instructor. The department has no divisions, so all employees are expected to perform in all functions for which the department is responsible, thus increasing their efficiency. This is achieved, as stated above, by classifying employees in generic titles as opposed to job specific titles. The department is responsible for the following functions: snow and ice removal, recycling, parks, road maintenance, leaf collection, storm sewers, sanitary sewers, street sweeping, street signs, traffic lights, and brush collection. Garbage collection is a service that residents and businesses obtain directly from private vendors.



The corporate knowledge, work ethic, efficiency, and effectiveness of the department and its employees generally impressed the review team. Although the review team did find some instances of personal conflicts and morale problems, the employees were able to put their differences aside during the workday and provide quality services to the Fanwood residents. The majority of the department's activities were found to be within the benchmark costs used by LGBR. As a result, the majority of the information in this section is for informational purposes, not to imply any deficiencies.

### **Personnel Hiring, Promotion, and Evaluation**

The department prides itself in having highly skilled and trained employees. They feel that the more experienced people they employ will in-turn result in having a more efficient and effective operation. As a result, the department only hires people with some public works background and/or sufficient skills to operate large trucks and equipment. Once employed, everyone eventually becomes trained on all equipment and in virtually all aspects of the public works operation through an active on-the-job training program. Experienced personnel accompany and teach new employees until they demonstrate a proficiency in what is being covered. Additionally, a number of manufacturers sponsor classes regarding the use and/or maintenance of their equipment.

The department operates under a five-tier classification and pay scale for the majority of its employees. New employees begin at the operator "E" position and move up to operator "D" after six months, as long as they demonstrate developing competency with equipment operation. Those with greater experience and knowledge of heavy equipment may begin as high as operator "C," but the goal is to have all employees eventually at the operator "A" level. Written performance evaluations are conducted semi-annually by the foreman, under the director's supervision; and employee promotions depend on these evaluations and an established time-in-grade schedule.

### **Time Management**

Hours of operation for the department are from 7:00 a.m. to 3:30 p.m., with a half-hour for lunch. The employees are required to punch a time clock when they arrive and depart from work. A random analysis found that employees generally arrive to work well before their workday begins and that they leave when they are supposed to.

The department's foreman maintains a daily diary to account for departmental activities, and in this way, generally track employees' time and the use of departmental resources. The entries list individual jobs on a given day, but do not provide details on employees, equipment, material or hours. Therefore, the review team could not precisely determine costs of department activities and any costs shown in this public works section for a given activity are merely estimates. Estimates were calculated by: 1) determining hourly rates for personnel and vehicle/equipment; 2) counting the number of diary entries for each departmental area of responsibility; 3) assigning a reasonable estimate of man-hours for each activity based upon interviews with the department's director; and 4) assigning actual overtime costs to those activities that schedule it.

**Recommendation:**

**It is recommended that the department employ a more precise method of tracking employee time and resource utilization so to be able to better compare their costs to the competitive market. LGBR has found software packages that achieve this purpose and have a comprehensive employee-scheduling module for a cost of approximately \$1,500.**

**One-time Value Added Expense: \$1,500**

**Employee Leave**

A review of employee leave found that besides vacation and personal time off, employees were good to show up for work. Sick leave abuse is non-existent, and lost time due to on-the-job injuries is rare. In 1999, the average amount of sick leave used was 4.5 days per employee, and there was no lost time due to injury.

A reason for the department's non-existent job related injuries is that safety is emphasized throughout the department. In addition to the quarterly safety meetings, employees watch safety videos and attend training classes periodically. Right-to-know and confined space entry training are conducted regularly. Further, the department participates in an annual safety rodeo sponsored by the county and the public works association. Employees get to compete with other departments, demonstrating their equipment operating skills.

**Overtime**

The department expended nearly \$36,000 of overtime in 1999. The overtime was due in large part to emergencies (snowstorms - \$6,863; and hurricane Floyd - \$6,069); special events - \$8,615; and the annual leaf collection program - \$8,010. Employees are permitted to sign up for special event overtime, which is provided on a first-come basis.

**Recycling**

The borough operates a model-recycling program through the combined efforts of the department and the local recycling association. There is no curbside collection program provided by the borough, although residents can obtain the service through a private vendor. Instead, residents are expected to bring their recyclable material directly to a drop-off depot at the edge of town. The department also uses the facility as a staging area for the annual leaf collection effort and for brush, the pulverized results of which are kept on site for use by the department and residents. Open two days each week, it is staffed by two part-time personnel employed by the recycling association. Community service personnel supplement the staff on Wednesdays, and volunteer organizations operate the center on Saturdays. The organizations receive \$250 from the association each time they can staff the center, provided they are able to field a minimum of 12 volunteers.

The department constructed the center (using recycling tonnage grant funds), maintains it, and assists the recycling association by loading and/or transporting the materials to market for sale by using its own equipment and manpower (about 8 man-hours per week). The department's secretary also tracks the tonnage the facility generates and accounts for the operation's receipts.

In 1999, the department expended approximately \$16,345 in salary, benefit and equipment costs and the recycling association generated \$32,168 in revenue from the sale of materials. Although the association does not reimburse the borough for time and equipment costs, they do regularly make donations to the borough and/or its associated functions. Those donations include:

- Public Works: Tires for the loader, asphalt tamper, and \$1,000 cash;
- Fire Department: CO2 monitor;
- Rescue Squad: Backboards and immobilization blocks;
- TV 35: Equipment to broadcast council meetings;
- Downtown Revitalization: Benches for downtown; and
- Fanwood's Centennial Celebration: Band.

**The combined efforts of committed residents, volunteer groups, the recycling association and Fanwood's public works department ensure a highly efficient and successful recycling operation that should be emulated by other communities. Fanwood is saving thousands of dollars by not collecting and processing recyclables with its public works employees or contracting with a private vendor to collect and transport recyclables.**

### **Bulk Pick-up**

Bulk garbage is collected once per year over a period of approximately four weeks. The department spends one week in each of the town's pre-established "quadrants." All department employees are utilized for this process. The department utilizes two packer trucks (one is rented for the duration of the process) and dump trucks. The average collection is approximately 300 tons per year. In 1999, they collected 400 tons due to the massive damage wrought by the flooding of Hurricane Floyd.

Collected type 13 waste (bulky materials) is brought directly to the Hackensack Meadowlands landfill by the packer trucks, while metals are first brought to the public works facility where the metal goods are separated according to whether or not the item contains any CFC's that need to be removed. The metals are then brought directly to recycling vendors for sale. In 1999, the borough received \$66 in revenue from the sale of metals as the vendors deduct the cost to remove the CFC's from any borough profits.

The cost of salaries, benefits, and equipment for this procedure was approximately \$48,613 (of which \$14,842 was for the truck rental). Tipping fees at the landfill were \$23,910. The total cost of the program was approximately \$72,523 in 1999. By recycling the metals, the borough also avoided an additional \$1,321 in tipping fees for the 20 tons of metals that were recycled.

### **Recommendation:**

**Considering that residents already contract individually for solid waste services, adding bulk collection seems only natural. Individual residents could be paying for bulk collection as needed rather than shouldering the cost of the entire community's bulk waste needs**

**through their taxes. As a result of discontinuing this municipal service, the borough could eliminate the costs associated with the truck rental and tipping fees from the municipal budget.**

**Cost Savings: \$38,752**

**As a result of eliminating this service from the public works department, the borough should investigate whether staffing could be reduced or if services could be expanded.**

### **Leaf Collection**

Leaf collection takes place in a six to eight week period, from late October through mid-December. Residents are required to rake leaves for pick-up to the curbside. For this function, the department utilizes two leaf machines and a loader equipped with a special claw attachment working in tandem with dump trucks and a packer truck equipped with a special bin to enlarge its hopper. The manpower for each leaf machine is comprised of one truck driver, one operator for the vacuum, and one person to rake the leaves to within reach of the vacuum hose. The employees who rake are temporary hires, a cost that is borne with clean community funding (nearly 350 hours at a cost of \$3,440 in 1999). The remainder of the department will operate the loader, packer truck, or dump trucks.

The schedule is set up so that each street receives six passes per season, at the end of which one man operating a sweeper/vacuum is employed to collect any remaining debris. Each of the borough's parks are also collected after the department uses riding mowers with blower attachments to create piles of leaves near the park entrances. Any leaves that come down from the trees after the final pass in December will be collected during the first week of April.

Once the leaves have been collected and stored at the recycling facility, the department solicits bids for 50 cubic-yard trucks, with drivers, to deliver them to the county compost facility in Springfield. The trucks are available on an on-call basis and when utilized, the department commits an operator and a loader equipped with the claw ("versa-bucket") for an entire day to load each truck (a minimum of five loads per truck per day). The county charges a tipping fee of \$2 per cubic yard of leaves disposed, but returns the mulched product to the borough's recycling facility at no additional charge.

The total volume of leaves hauled to the compost facility in 1999 amounted to 5,750 cubic yards. The combined estimated salary, benefit and equipment cost was \$78,819, while the cost for truck rentals was \$14,160 and the county tipping fees totaled \$11,500. The resulting cost for the entire program was approximately \$104,479 in 1999.

It would require a capital outlay of approximately \$375,000 for the department to acquire its own fleet of vehicles to accomplish this task. With debt service, insurance, maintenance and other related costs, the department would be spending over \$46,000 per year to obtain the necessary fleet size. This cost is compared to the annual cost of approximately \$14,160 to rent vehicles and drivers to accomplish the task. If the department were to purchase vehicles, they would have to either hire additional people on a temporary basis to operate the trucks or slow down / extend the collection process markedly and utilize its own personnel as drivers.

**The borough is commended for its cost saving initiative to rent equipment and drivers (when needed) on an as needed basis, in this function as well as other public works functions, as opposed to purchasing additional vehicles and equipment at a much increased cost and utilizing them sparingly throughout the year.**

### **Brush Pick-up**

Brush is collected four times each year, with a separate collection for Christmas trees. The four regular collections require the use of a five-man crew for one week, using a loader, dump trucks and a packer truck. When all the brush has been hauled to the recycling facility, a rented tub grinder is used to convert it to chips at a cost of approximately \$1,000 each time. DPW provides a loader and an operator to feed the grinder. In 1999, the salary, benefit, and equipment costs were approximately \$26,723 and the tub grinder rental costs were \$4,000, resulting in total program costs of approximately \$30,723.

### **Streets and Roads**

The department utilizes a comprehensive preventive maintenance strategy to maximize the life of all street and roadway surfaces within the borough. The strategy includes the full range of road maintenance techniques, from promptly filling potholes to resurfacing. The foreman conducts an annual street survey to assess the condition of the borough's streets and every employee is trained to observe and report any problem areas they see while out on the road, thus, enabling the department to stay on top of road maintenance requirements throughout the year. Streets requiring slurry coating or resurfacing are prioritized based on need and a contractor is then selected to do the work from a list of qualified vendors generated by the Union County Cooperative Purchasing Council, to which the borough belongs. In 1999, \$50,000 was appropriated through a bond ordinance (as they try to do each year) for routine maintenance materials (e.g. pothole patch & crack seal) and to contract with vendors for slurry sealing and/or road resurfacing. An additional \$146,000 was appropriated through the bond ordinance for major reconstruction of selected streets. For all road reconstruction work, the borough engineer is authorized to submit Department of Transportation trust fund grant applications to offset costs. The estimated salary, benefit, and equipment costs for the in-house maintenance of streets in 1999 was approximately \$70,587.

### **Street Signs and Traffic Lights**

The foreman's general street survey also includes the missing and damaged street signs, but the department generally relies upon reports from its employees and the public concerning any necessary repairs and/or replacements. Repairs and replacements are done as needed by whomever is available at the time.

The department is also responsible for replacing bulbs in three traffic lights in town, and the department maintains a boom truck, on loan from Scotch Plains, to perform this function. All repairs to the traffic lights are done under a contract found in the police budget. Policy regarding traffic light costs varies from county to county in New Jersey, but in Union County the municipality is responsible for any traffic light on a local or county road within its boundaries. The approximate cost for the maintenance and repair of street signs and traffic lights (including the contract) in 1999 was \$4,741.

**The borough is commended for its shared service arrangement with Scotch Plains concerning the usage of the boom truck for bulb replacement in traffic lights.**

### **Street Sweeping**

The department utilizes one man operating a vacuum sweeper machine to sweep residential streets, the business district, and parking lots at the train station. There are approximately 32 miles of streets within the borough. The goal is to sweep each of the residential streets one time per month and the business district and parking lots on a weekly basis (at night). This goal is very rarely achieved due to other department activities pulling the operator away from street sweeping, which is not as high a priority. According to departmental records, the sweeper went out 39 times during 1999 or 3.25 times per month. Since there were no detailed records kept, the director estimated for the review team that between 10% and 15% of the municipality was swept each time the sweeper went on the road. Based upon those figures, all streets are swept 4-6 times per year.

Collected debris are deposited at the recycling center where the county inspects it, treats it, if necessary, and disposes it at no charge to the borough. In exchange, the borough includes the county's roads in its regular sweeping program. The cost of the program for 1999 is estimated at \$29,677, including salary and benefits, scheduled overtime, and vehicle costs. Based on an average of each section of town being swept five times per year, the department sweeps an average of 320 curb miles per year. As a result, the cost per curb mile for street sweeping is estimated at \$92.75. This cost, as estimated, is just beyond the LGBR benchmarks for street sweeping that range from \$40 to \$90 per curb mile.

### **Snow Removal**

During snowstorms, the department deploys all eight operators in assigned vehicles and on assigned routes. Whenever a storm is anticipated, vehicles and equipment are readied beforehand so there is no wasted time when they get the call from the police to start salting and plowing. Their technique is to spread a layer of salt and cinders when the roadways are first coated with snow so that the salt can work from the bottom up, and traction from the cinders is immediately available for the snowplows and any traffic.

The department purchases salt through the Union County Cooperative Pricing Council, and the rate in 1999 was \$25.51 per ton. There is no on-site storage facility for salt and other snow and ice control materials, so the department stores it (as needed) on the pavement beneath tarps at one end of the compound. In the off-season, the department stores its salt in the county salt dome less than a mile away. An on-site storage shed was proposed a few years ago, and the funds appropriated but, because it would be partly on the adjacent railroad right-of-way, it had to be postponed pending an evaluation of the potential impact of some railroad projects. According to the director, those projects have been since completed and it may be possible now for the department to proceed with the construction of a storage facility. The estimated salary, benefit, equipment, and material costs for this program in 1999 was \$26,905, including \$3,799 for materials.

The director advised that on street parking during snow plowing operations is not a significant problem, but when they do encounter it, the police cannot help them because there is no ordinance prohibiting it. It is common in many municipalities to prohibit on-street parking during snowplowing operations; and the police often have the authority to have offending vehicles towed at the owners' expense when necessary.

### **Recommendation:**

**It is recommended that the borough adopt an ordinance prohibiting on-street parking during snowplowing operations.**

### **Sanitary Sewers**

Every Friday, a crew of two men spends about four hours with the sewer jet truck inspecting the system. Potential blockages are cleared using the sewer jet, a rodder machine or a root-cutter. Any major problem areas are reported to the director or the engineer so that repairs and/or replacements can be planned and/or completed. The estimated salary, benefit, and equipment cost for the repair and maintenance of the sanitary sewer system for 1999 was \$19,214.

The borough belongs to the Plainfield Area Regional Sewer Authority (PARSA), along with seven other communities, to effectuate the processing of its sewage at the Middlesex County treatment facility. Along with processing the sewage, PARSA also provides free flow monitoring service and video inspection of each community's sewer system to identify any inflow and infiltration problems. This information is then provided to the respective towns, who, in turn, effect their own repairs. As a result of this proactive approach to maintaining their sanitary sewer system, member towns have realized reduced sewer charges in the past few years. The following chart represents Fanwood's budgeted amounts for sewer charges since 1994:

<b>Year</b>	<b>Budget</b>
1994	\$365,853
1995	\$320,000
1996	\$316,065
1997	\$284,565
1998	\$262,065
1999	\$260,000

### **Storm Sewers**

An annual survey of the condition of storm sewers is included in the general street survey done each year by the foreman. The system, including 2,000 catch basins, is completely mapped and DPW is responsible for all maintenance and repairs. All catch basins are cleaned once each year with a sweeper vacuum machine and a crew of three men. Roots are cleared from the sewer lines and repairs are completed as required. The approximate salary, benefit and equipment cost for this program in 1999 was \$31,232.

### **Building Maintenance and Grounds**

The public works department only does minor maintenance at the various borough-owned buildings and grounds (e.g., painting, limited carpentry, and moving furniture). Along with the duties just stated, they are also responsible for removing the trash and recycling and cutting the grass around the municipal facilities. The department maintains approximately 17,045 square feet of municipally owned buildings. Those buildings include borough hall and the police department, the library, the Carriage House, the structures at the municipal parks, and the public works offices. Professional contractors are utilized for any electrical, plumbing, or HVAC work. The approximate cost of this program in 1999 was \$12,907 for salary, wages, and equipment plus \$21,700 for other expenses. This results in a total cost of \$34,607 for 1999.

### **Custodial**

As stated previously, there are approximately 17,045 square feet of municipally owned buildings. Custodial services are performed under contract with a private vendor at a cost of \$17,748, or \$1.04 per square foot. This cost per square foot, although at the higher end, falls between the benchmark figures used by LGBR for custodial services. A review of the municipal facilities revealed that the buildings are maintained at a satisfactory level. Discussions between the borough and the vendor in May, 1999, revealed some deficiencies concerning the quality of custodial services being received and, as a result, the necessary performance review measures were put in place to monitor quality on, at least, a monthly basis.

### **Parks and Recreation**

The department maintains each of the borough's park areas. LaGrande Park is 7.92 acres, Forest Road Park is 7.13 acres, and the new "pocket" park across the street from the Carriage House is .97 acres. There is also a 6.7 acre track of wooded land that is utilized as a nature center, although the public works department does not do any sort of maintenance there. In all, the department maintains 16.02 acres of parkland.

Maintenance consists of cutting the grass once each week, lining and dragging the baseball/softball fields three times each week, and constructing and maintaining all of the playground areas. All of the paved areas at the parks, including seven tennis courts, one street hockey court, two basketball courts, and two general purpose areas, have been built by the public works. The estimated salary, benefit, and equipment cost for the routine maintenance of the parks was approximately \$30,908.

### **Vehicles and Equipment**

The department has a comprehensive inventory of vehicles and equipment for every need but, as shown in the leaf collection function, it is the director's philosophy that any equipment not needed on a regular basis should be rented as opposed to purchased. There are two buildings on site with sufficient storage capacity to house all of the department's vehicles and equipment. Excluding minor equipment (e.g., push mowers & trimmers), the department has 20 pieces of equipment & vehicles:



<b>Equipment &amp; Vehicles</b>	<b>Quantity</b>
Dump Truck	3
Pick-up Truck	3
Jeep	1
Loader	1
Backhoe	1
Packer Truck	1
Sweeper	1
Sewer Jet Truck	1
Leaf Machine	2
Chipper	1
Roller	1
Infield Conditioner	1
Toro Mower/Leaf and Snow Blower	2
Compressor	1

The department has assigned one of its operators with experience in equipment and vehicle repair and maintenance as the department's mechanic to complete the maintenance and repair of public works equipment and vehicles. This mechanic only works on public works' equipment and vehicles since the only other municipal vehicles (police and fire) are outsourced for repairs and maintenance by their departments. While there is no way to exactly account for his time spent in the mechanic's function, it was estimated to the review team that he spends about 40% of his time working on vehicles and equipment and the rest of his time performing other departmental functions.

The mechanic, according to an established schedule, performs preventive maintenance work (e.g., oil changes & tune-ups), with individual records maintained for each piece of equipment. Other department employees are responsible for inspecting and servicing their own vehicles by checking and adding fluids when needed, replacing non-working light bulbs, and keeping the mechanic apprised of any problems that might arise. They also assist the mechanic with repair jobs requiring an extra person. A small inventory of basic parts is maintained on-site, and all purchasing is done through the director.

Any major repairs not able to be handled by the mechanic (i.e., transmission work) are outsourced either to the original vendor or to a large equipment repair shop. The mechanic tries to keep outsourcing to a minimum by brainstorming problems with the original vendors and trying to fix whatever he is qualified to do. The cost of outsourcing in 1999 was approximately \$8,000.

The total salary, benefit, and equipment/parts costs was approximately \$32,516 in 1999, including \$17,000 for parts and repairs. This translates to a vehicle and maintenance cost of approximately \$1,625 per vehicle/equipment, which is below the standard benchmark used in other LGBR reports.

The review team noted the outstanding condition of the department's vehicles and equipment. In bringing this to the attention of the director, the reasons credited for the good condition of the equipment included: 1) the ability to store all the vehicles and equipment indoors; 2) a pervasive sense of pride among DPW employees; 3) creating and adhering to a strict schedule of preventive maintenance; and 4) programmed replacement of older pieces of equipment. Every year, the director assesses the condition of the department's vehicles and develops a five-year capital equipment plan for the governing body's review and action. According to the director, the borough has generally held to replacing vehicles according to the capital plan and not utilizing vehicles past their useful life, which in many cases ends up in excessive maintenance and repair costs. The 1999-2003 capital plan included the following:

<b>YEAR</b>	<b>EQUIPMENT</b>	<b>PROJECTED COSTS</b>
1999	Dump Truck with Spreader and Plow	\$75,000
2000	2 Leaf Machines and a Salt Spreader	\$73,000
2001	Leaf Machine and a Claw Attachment for Loader	\$42,000
2002	Dump Truck	\$80,000
2003	Sewer Jet	\$80,000

**The department and borough is commended for its annual assessment of public works vehicles and equipment and replacement of older items according to an established schedule. This practice results in an above average fleet and minimizes the chances of having multiple pieces of equipment needing replacement, which would have an adverse effect on the municipality's budget.**

### **Fuel**

Fuel is stored in a partitioned underground fiberglass tank that can hold 4,000 gallons of gasoline and 2,000 gallons of diesel fuel. The tank was installed in the early 1990's and is subjected to regular leak testing. Usage is regulated through a key control system for the DPW, police and fire and is available 24 hours a day. The meters are read and the tanks are measured once per month. Fuel is purchased through the Union County Cooperative Purchasing Council, and the prices are comparable to that which could be obtained off of state contract prices. In 1999, the borough paid a total of \$16,053 for 16,974 gallons of gasoline and 6,770 gallons of #2 diesel fuel. The following chart represents the borough's actual fuel usage in 1999 by department:

<b>DEPARTMENT (Fuel Type)</b>	<b>GALLONS USED</b>
Police (Gasoline)	12,874
Fire (Gasoline)	679
Public Works (Gasoline)	2,841
<b>TOTAL (Gasoline)</b>	<b>16,394</b>
Fire (#2 Diesel)	384
Public Works (#2 Diesel)	6,385
<b>TOTAL (#2 Diesel)</b>	<b>6,769</b>

## SHADE TREE COMMISSION

The shade tree commission is a very active group of volunteers charged by local ordinance to maintain all trees within the borough's right-of-way and in the borough's parks. All in all, the commission is responsible for approximately 3,000 trees. Their budget has grown steadily since 1994 from \$16,000 to \$32,620 in 1999. The commission spends approximately eighty percent of its budget on tree removals and repairs, with the rest devoted to new plantings. Miscellaneous expenses include attendance by the chair at the annual shade tree convention, and special events such as Arbor Day.

At each regular monthly meeting, the commission authorizes (and awards) bids to remove and repair trees. The list is based upon verified input from residents, DPW reports, their own observations, but more importantly, from an evaluation of borough trees conducted by a tree consultant in 1999 at a cost of \$1,000. The bids list each tree as an individual job, and then ask for a total figure and a discount should the entire bid be awarded as a single project. Rarely is the bid divided among multiple vendors. The chairman completes a purchase order based upon a given month's award and gives it to the CMFO for final processing and submission to the pertinent vendor. Bills for completed work, too, are approved for payment at the monthly meetings. Further, the commission solicits bids for new plantings once each year, indicating the types and locations desired, based upon their own observations and input from the public and DPW.

**The shade tree commission is an excellent example of volunteerism at work. Only a tiny fraction of tax dollars are spent on administration, with the lion's share going directly to program expenses for maximum effectiveness.**

## BUILDING DEPARTMENT

The building department is comprised of five part-time personnel, including the construction official (who doubles as the building sub-code official), one clerical/support person and the fire, plumbing and electrical sub-code officials. The construction official and the secretary are scheduled to work in the office three days each week, and the other sub-code officials are scheduled so that they are available to the public at the same time. Additionally, it works out so that the construction official and the sub-code officials are in the office together on Thursday evenings to perform plan reviews. This department deals strictly with Uniform Construction Code (UCC) issues and does not have any responsibility for the enforcement of any local ordinances.

The State of New Jersey's Department of Community Affairs (DCA) offers a staffing analysis that reveals whether a community is properly staffed for its workload. Based upon the workload, the DCA analysis revealed that the borough is properly staffed for this function. The total salary and benefit costs for this office in 1999 were approximately \$47,217, while other expenses were \$2,263.

In the past three years, the department has had three construction officials, two plumbing inspectors and three clerical/support persons. Various reasons were given for this extremely high turnover rate, but the prevailing opinion was that salaries were not competitive to the surrounding municipalities. Excessive employee turnover is counter-productive to efficient operations, as there is much time spent getting acclimated to a new municipality and different office procedures.

**Recommendation:**

**It is recommended that the borough conduct a salary survey to determine whether the borough is paying competitive salaries for construction department employees along with other municipal employees. It is imperative that the borough be able to retain highly qualified employees.**

The office's fee structure hasn't changed since 1988. The following chart indicates costs remaining relatively stable, while revenues have grown markedly over the last three years. DCA typically accepts a 20% differential between revenues and expenses to adjust for annual differences in construction workload, but in 1999 Fanwood's differential was approximately 35%. It was approximately 17% in 1998.

<b>UCC Annual Report</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>
Costs	\$66,750	\$61,649	\$61,454
Revenues	\$63,488	\$73,887	\$93,392

**Recommendation:**

**As revenues almost exceeded expenses by 20% in 1998 and did exceed expenses by 35% in 1999, it is recommended that the borough review its current construction code fees. The borough should determine whether fees are appropriate and fair in trying to cover its operational costs. As stated above, DCA typically accepts a 20% differential in revenues and expenses.**

Until a few years ago, the department was open only on Mondays and Thursdays. The governing body determined that too many holidays fell on Mondays, depriving the public of access, and changed it to Tuesdays and added a half-day on Wednesdays. At the same time, the governing body committed the funds to expand the department's offices that it shares with the zoning officer to alleviate overcrowding. This approach has served the department well, as it has effectively improved public access to department services.

## **DOWNTOWN REVITALIZATION**

Fanwood's Downtown District is relatively small in size, consisting of several retail stores and eateries at and around the intersection of Martine Avenue and South Avenue. Like many small towns, Fanwood is struggling with reconciling past remembrances of bustling downtown centers

with today's reality of drawing people away from the mega-malls that surround them. The borough is a place where a volunteer spirit is overwhelmingly evident, where neighbors watch out for each other, and where a pride of ownership is seen in its residential properties. Fanwood's downtown district, however, does not reflect the cohesiveness of Fanwood's community spirit. There is no sense of identity that characterizes the town center and announces that you have entered Fanwood. It doesn't invite the passer-by to stop and get acquainted, but rather encourages them to drive-through.

Fanwood is very fortunate to have an active train station, along with an historic train station building, which sits across the street from Fanwood's retail section and serves as one of the centerpieces of the town. The station is utilized heavily by area commuters who take the West Trenton Line into New York City. The historic train station building has been beautifully restored and painted in the "Fanwood colors" of light green, dark green and harvest gold. The train station brings many people into the borough, specifically the retail section, and the downtown district needs to attract these people to their stores in order to survive. Discussions with the committee revealed the potential to make the historic train station the focal point of the downtown area. Ideas include replicating the building's Victorian façade and/or colors on the buildings in the downtown area. By tying the facades and/or colors of the downtown buildings to the train station, an identity is created that is as unique as Fanwood. That identity will serve the downtown area well as it tries to attract people to its stores and sustain its existence.

In recognition of the need to address the downtown problem, the borough created a volunteer committee to discuss issues facing the district and to come back to the borough council with ideas and suggestions for their consideration. There are currently 15 members that serve on this committee.

### **Need for a Strategic Plan**

In August, 1999, Fanwood received a Union County downtown revitalization grant for \$300,000 and a \$100,000 legislative grant from the State of New Jersey. The applications for the grants targeted street scaping, decorative pavers, planters, and Victorian goose neck lamps in the downtown area. Although the applications were based on obtaining these items, several factors were either not understood or underestimated. For example, the cost for the Victorian lamps alone was well in excess of the total grant amount. Lacking the necessary funds to purchase the lamps, discussions within the committee surrounded whether the borough should begin to spend the money on smaller efforts (i.e., planters), without a strategic plan in place for the downtown area, or hold the money until a plan could be created. At time of review, none of the grant money was expended and the county grant expires in August, 2000, and the legislative grant expires in December, 2000. With time running out on the grants, Fanwood is without a strategic plan for the downtown area, without bids for potential purchases, and without a person in charge of pulling the project together. At the time of this writing, the borough council was considering hiring a part-time employee, at about \$10,000 annually, to take the leadership with regard to the downtown projects.

It is unfortunate that Fanwood did not have a strategic plan in place for its downtown revitalization before the grant money was received, or shortly thereafter. Additionally, it is

unfortunate that there was no one in place to coordinate and implement the plan. A realistic and achievable strategic plan is the best way for Fanwood to fulfill its goal of having a revitalized downtown area. Haphazard or non-existent planning achieves haphazard or undesirable results.

Successful reinvestment in a downtown area encourages future reinvestment dollars. The 1999 Reinvestment Statistics from the National Main Street Center measure the economic impact for every dollar a community spends on its Main Street Program. According to those statistics, every public dollar that is spent on revitalization efforts results in \$26.20 in private funding being brought into the revitalized area. The national average was \$38.34 in private funding for every public dollar spent. Using those figures, Fanwood's downtown area could realize an economic benefit of approximately \$10,400,000 if the \$400,000 in grant funds that the borough holds are appropriately and successfully reinvested.

### **Recommendations:**

**It is recommended that the borough, in conjunction with its downtown revitalization committee, creates and adopts a comprehensive strategic plan for the downtown area. This plan should then be used to appropriately invest funds in a focused manner. The borough should contact the Main Street New Jersey program, as it offers a wide variety of services and assistance to New Jersey municipalities.**

**The review team supports the position of hiring a part-time person to coordinate and implement the strategic plan for the downtown area. The borough should investigate whether there is grant funding available to cover the associated costs. This is seen as a short-term hiring by the review team.**

**One-time Value Added Expense: \$10,000**

### **Dean Oil Site**

Behind the retail shops on Martine Avenue and diagonally across from LaGrande Park is a vacant one-acre site known as the Dean Oil Site. There has been much discussion in the past as to how to best utilize the site. Some of the potential uses for the site include apartment housing, retail/office building, and a senior center. While the creating of a senior center seems like a worthwhile project, the review team feels that it would not be prudent to put anything on that site that would take the borough's last viable commercial property off of the tax roles. We believe that the development of this site as a commercial property is critical to the borough and the downtown area. Whether strictly retail, a retail-office mix, or some other retail-residential combination, this property can substantially increase pedestrian traffic in the downtown area, serve as a destination for new businesses and expand the ratable base in the process. In this era of rising costs, the borough needs to do everything it can to expand and/or maintain its ratable base.

### **Recommendation:**

**It is recommended that the borough not consider options to this site that would take the community's last viable commercial property off of the tax roles.**

## PLANNING AND ZONING

The majority of Fanwood's residential growth (approximately 50%) occurred between 1950 and 1959. During those years, 1,262 residential units were built. According to 1990 census information, there were 2,507 housing units in Fanwood. Fanwood is a fully developed community as there is less than 1% of its landmass that is vacant. Over 92% of Fanwood's area is residentially developed.

In 1998, Fanwood combined the planning and zoning boards, recognizing that there wasn't sufficient business to warrant having separate boards or separate professionals. This was pursuant to N.J.S.A. 40:55D-25(c)(I) which allows municipalities with a population of less than 10,000 to adopt an ordinance to provide for the consolidation of their planning boards and their zoning boards of adjustment. There was no loss of staff, since the secretary had already served both boards. Additionally, they eliminated the annually appointed planner position, opting instead to engage professional planning services on a purely as-needed basis. Professionals include the planning board attorney and the borough engineer, both of whom attend the twice-monthly meetings. Salary and benefit costs for 1999, excluding the engineer, amounted to \$34,919 and other expenses totaled \$4,100.

The zoning officer reviews all applications, and collects all fees, but is permitted to issue permits only for proposed improvements to single-family residences and for commercial signage when neither requires a variance. Applications for site plan and/or subdivision approval are referred to a planning board subcommittee, of which the zoning officer is a member, for completeness reviews. This is a new procedure that used to be handled entirely by the zoning officer.

In 1999, the board considered six site plans, two subdivisions, 31 applications for variance, and one concept review. Meanwhile, the zoning officer issued 102 zoning permits. At this time, there are no pending site plan or subdivision applications, so the board is hearing only appeals of the zoning officer's decisions. The zoning officer, however, is also a voting member (Class II) of the combined board.

### **Recommendation:**

**The zoning officer's attendance at board meetings is a very practical approach, but being a voting member of the board that considers appeals of the zoning officer's decisions is an obvious conflict. Further, there is concern that applicants may infer her support of their proposals because she often has to assist them with completing their applications. It is, therefore, recommended that the zoning officer resign as a member of the board, and that another employee or official be appointed to fill the Class II position on the board.**

When a new business proposes moving into an existing structure, the zoning officer meets informally with the mayor and the planning board chair to determine whether the applicant should proceed with a formal site plan application or be granted a zoning permit. Unfortunately,

there is no provision in the ordinance for this procedure. Further, there is no record kept of such deliberations, and no permit or waiver is issued to an applicant when it is determined that site plan approval is unnecessary.

**Recommendations:**

**This is a good, common sense practice, but it is recommended that a record of such deliberations is maintained and any applicant successful in obtaining a waiver should get a permit of some kind.**

**It is recommended that this procedure be formalized by ordinance.**

The zoning officer is also responsible for property maintenance enforcement. According to the ordinance, the zoning officer can issue a notice of violation only after receiving a complaint(s) about a problem. One complaint is needed for issues involving vegetative growth and two complaints are needed for all others. A recent interpretation of the ordinance allows the zoning officer to initiate inspections for natural growth violations, but even so, she may not issue a summons, or cause one to be issued, without approval of the clerk. All other potential summons must be approved by the governing body.

**Recommendation:**

**The property maintenance code enforcement procedure is unnecessarily cumbersome, expanding the time frame for resolution of a given violation by a factor of two or three. The zoning officer would be more productive in this capacity if given the authority to perform inspections on her own initiative and to have summonses issued when applicable. It is recommended, therefore, that the property maintenance ordinance be amended to allow the zoning officer to perform inspections and issue notices of violation with or without benefit of citizen complaints, and to issue summonses without the approval of a higher authority.**

## **LIBRARY**

The Fanwood Memorial Library is a municipal library operated and managed by the library director, under the guidance of a board of library trustees. The director is a relatively new employee as the borough hired him in October, 1997. The library is physically located at the intersection of North Avenue and Tillotson Road. Library services have been provided in the borough since 1902 and have been physically located at its present site since December, 1951. The mission of the library is “to add value to the community by providing the citizens of all ages with library services of high professional quality; to meet their evolving and on-going needs for educational, cultural, and recreational information; to promote literacy and lifelong learning; and to foster a love of reading.”



The library provides a vast array of services to the residents of the borough. Besides its traditional collection consisting of books, magazines, audio/visual materials, reference materials, and the like, the library provides a specialized young adult collection, an expansive children's collection, reading clubs, story times for children, movie nights, and other programs. The total salary cost of the library in 1999 was approximately \$210,975, and the other expenses from the current fund were \$54,129.

In order to help determine the efficiency and cost effectiveness of the library, the review team utilized the Analyses of New Jersey Public Library Statistics for 1998 to compare Fanwood to libraries in its expenditure category (\$200,000 - \$349,999), libraries that serve similar populations (5,000 – 7,499), and the Union County average. There are 41 libraries that have similar expenditures to Fanwood's library and 44 libraries that service similar populations. The statistical book is created and published through the efforts of the New Jersey State Library and its purpose is to "help libraries analyze and improve programs and services."

### **Relationship with Borough**

Being a municipal library, the library relies heavily on the borough for its existence. Besides funding the library, which includes everything from paying for salaries and benefits, to other expenses, to utilities and services to the building, the borough also provides a multitude of additional services. The borough provides the library with payroll service, finance and purchasing service, custodial and maintenance service, emergency service, as well as others. There seems to be a good relationship between the borough and the library.

### **Facility**

The library moved into the present facility in 1951. The building consists of two floors and is approximately 6,400 square feet. The adult collection, reference section, periodicals, reading area, and circulation desk are located on the ground level. The children's section and a meeting area are located in the basement. While it seems as though the staff has tried to make the library feel as open and inviting as possible, stacks of books were lined close together, books were being shelved on top of bookcases and materials were kept in an old entranceway. The library staff utilized every available inch of the building to display and keep its collection.

There were plans in place to totally renovate the interior of the library during the summer of 2000. The circulation desk will be moved, new stacks and shelving will be purchased, walls will be painted, carpeting will be replaced, etc. This renovation, along with "weeding" the collection again, should better utilize the space available to the library and create a better library experience.

The building is made accessible to handicapped patrons by usage of a wheelchair lift.

### **Staffing & Hours of Operation**

The library's full-time staff consists of the library director, one other professional librarian, and two other full-time employees. According to the director, the library typically complements the paid staff on an annual basis with eight regular part-time employees and about the same number of library pages. According to the 1998 library statistics, the Full-time Equivalent (FTE) staffing

for the library is 6.7. An analysis of the statistics showed that Fanwood's full-time staff (4), professional staff (2) and FTE ratio (6.7) meet, or slightly exceed, the 75<sup>th</sup> percentile of libraries with similar populations and/or similar expenditures.

The library is open Monday, Tuesday, and Thursday from 10:00 a.m. to 9:00 p.m. and on Wednesday, Friday, and Saturday from 10:00 a.m. to 5:00 p.m. There are no Sunday hours and the library closes on Saturdays during the summer months. The normal weekly schedule results in the library being open for 54 hours per week, as compared to the county average of 59.3 hours per week. At 54 hours per week, Fanwood is at the 75<sup>th</sup> percentile for libraries that serve similar populations and is in-between the 50<sup>th</sup> and 75<sup>th</sup> percentiles for libraries with similar expenditures.

In discussions with the library personnel, it was brought to the attention of the review team that there are a few hours built into the schedule where there is only one person working in the entire building. Not only does this not allow the library to provide substantial service to the patrons, since the employee usually is relegated to the circulation desk, but it also is a safety hazard to the employee in that there might not be anyone else around in the case of an emergency or health problem.

### **Recommendation:**

**It is recommended that the borough and library determine an appropriate course of action to eliminate the scheduling of employees to work alone. Options available include hiring additional part-time assistance, reducing the amount of hours that the library is open and reassigning present staff. This decision rests on whether the borough wants to expand its service to the residents or realize cost savings.**

### **Collection and Circulation**

As of November, 1999, the library's collection stood at 37,533 items. In 1998, the library statistics show a collection of 40,924 or a per capita total of 5.73. This resulted in the library being above the 75<sup>th</sup> percentile when compared to libraries with similar expenditures and between the 50<sup>th</sup> and 75<sup>th</sup> percentile when compared to libraries that serve similar populations. The volume (collection) per capita for Union County was 4.05.

During late 1998 and early 1999, the library conducted a substantial "weeding" of their collection, as a result of going from a manual record keeping system to an automated card catalogue and circulation system. The library threw out materials that were damaged, outdated, not circulated in the recent past, or were multiple copies of books that the library staff did not feel necessary to keep. The review team did not find any set "weeding" policy currently in place, but the director plans to evaluate the collection again in the summer of 2000 when the library's interior will be fully renovated and the collection will be re-displayed.

## **Recommendation:**

**As is recognized by the current library personnel, in order to provide quality library services to its patrons, it is imperative to keep the library's collection current and reliable. It is recommended that the library create a policy that regularly evaluates its collection and replaces material as necessary.**

As you would expect, another way for a library to keep its collection up to date is to purchase new materials. Fanwood's library appears to be appropriately active in adding new materials to its collection. In 1998, the library added 6% to its collection. This percentage ranked just above the 75<sup>th</sup> percentile when compared to libraries with similar populations and just below the 75<sup>th</sup> percentile when compared to libraries with similar expenditures. In 1998, an average of 4.6% was added to the circulation of Union County libraries.

One of the most common factors utilized to analyze a library's productivity and service to the community is by to look at its circulation data. The following chart represents how Fanwood's circulation data compared to the 1998 data for similar libraries, the county average, the state average, and to Fanwood in 1995.

	<b>Total Circulation</b>	<b>Circulation Per Capita</b>	<b>Circulation Per FTE</b>	<b>Circulation Per Volume</b>	<b>Circulation Per Hours Open</b>
<b>Fanwood (1998)</b>	57,544	8.06	8,589	1.4	1,066
<b>Average For Libraries w/Similar Expenditures</b>	55,362	6.10	9,562	1.4	1,037
<b>Average For Libraries w/Similar Populations</b>	45,234	7.00	11,231	1.3	927
<b>County Average</b>	N/A	4.83	7,878	1.2	2,032
<b>State Average</b>	N/A	6.70	9,713	1.5	2,956
<b>Fanwood (1995)</b>	56,848	7.90	8,866	1.4	1,182

As you can tell from the chart, Fanwood's circulation numbers have remained relatively stable in the recent past, but those numbers compare favorably to just about every category in the chart. From the library's 1999 annual report, the annual circulation was 59,106 items or a per capita circulation of 8.21 (utilizing the library statistics population of 7,196 for Fanwood in 1998).

## **Revenue and Expenses**

According to the library statistics, the library spent \$47.22 per capita in 1998 for its total library service. Of that total, \$6.08 went towards material expenditures. The total per capita expense, however, is seen by the review team to be somewhat inflated as the library spent approximately \$80,000 to automate its card catalogue and circulation function. Of that money, \$56,000 came from grant funds. If you took the one time expense of \$80,000 out of the total spent in 1998, the

per capita expense would be approximately \$35.73. At \$35.73 per capita, the library would rank slightly below the 75<sup>th</sup> percentile when compared to libraries with similar populations and/or similar expenditures. The county average for 1998 was \$34.36.

As a result of the new computer upgrades, the borough is now going to have to budget an additional estimated \$18,500 to maintain the software and hardware. If we were to add this \$18,500 back to the total expenses, the more realistic cost per capita that will be carried into future years will be approximately \$38.30. At \$38.30 per capita, Fanwood is still slightly below the 75<sup>th</sup> percentile when compared to libraries with similar populations, but goes above the 75<sup>th</sup> percentile when compared to libraries with similar expenditures.

**The library should be commended for searching out and receiving grant funds for such a large portion of the cost to computerize its card catalogue and circulation function.**

In funding the library operation, Fanwood was found to utilize local tax money more than its comparables. In 1998, the library utilized total revenue of \$369,717 to fund its services. Fanwood's local tax money per capita was \$41.05 or approximately \$293,108. This amount places Fanwood above the 75<sup>th</sup> percentile when compared to both libraries with similar populations and expenditures. The county average for local funding was \$31.86. State aid revenue totaled \$9,165, and the remainder of the money (\$67,444) came from other sources such as fines, donations, and county grants.

According to the library's November, 1999 monthly report, the Library Trust Fund balance, which is basically utilized for capital or unforeseen expenses, was \$31,810. The Library Fund, which is utilized for some library operating expenses and purchasing materials, was \$17,944.

### **Technology**

The library recently went to a computerized card catalogue and circulation system. The total cost was approximately \$80,000, although the borough received \$56,000 in grant money for the purchase. The system is provided through LMxAC, a Middlesex County consortium of libraries. In fully researching the technology upgrade, the library felt it was in its best interests to purchase from a consortium where they receive adequate technical assistance and software upgrades. The library felt that being so small prohibited them from being able to purchase a stand-alone system at a cost similar to what was realized.

In addition to the main systems described above, there are three computer workstations for patrons to utilize. These computers can be used for word processing, creating spreadsheets, sending and receiving e-mail, utilizing the Internet for pleasure or research, and doing other work. Library staff has the additional task of trying to assist patrons with computer problems.

### **Policies and Procedures**

In looking over the library policy statements, it was noted that much of the manual was outdated, with some of the revisions dating back to 1991. The director and board were currently in the

process of trying to update all of the library policies and job descriptions. Having up-to-date policies are essential for effective service delivery, as they delineate what is expected on a daily basis.

**Recommendation:**

**It is recommended that the library regards updating the policies and job descriptions as a high priority and continues to update them until completion. The completed policies should be reviewed on an annual basis.**

**Friends of the Library**

The Friends of the Library group has become much more active in the recent years. The group provides valuable input into the library operation, promotes the library through mailed literature, provides volunteer assistance, purchase materials and equipment, and provides financial assistance through donations. Some examples of what the friends group has provided in the past include donating \$5,000 for new audio/visual materials, purchasing a fax machine and newspaper stands, and donating money for upgrades to the children's department. The library director hopes that the friends group will be very active in assisting the library with moving books and materials during the interior renovation to the library building.

**Needs Assessment**

The borough has never really done a needs assessment to find out exactly what the residents want from their borough library or how the residents would grade the services being provided. The only input that the library receives is unsolicited from oral or written comments from patrons. The library has never tried to solicit input from non-users of the library.

**Recommendation:**

**It is recommended that the library survey the residents of the borough to determine what is expected of the library, what services or programs are desired, and how the library is performing. This information should then be used to focus resources on the areas responded to. This will result in the library providing the best possible service to the residents and may attract additional patrons to the library if they know that the library is focusing some of its resources on a particular area of interest or program. The review team recommends that the library reach out to the Friends of the Library to conduct this survey and cover the associated costs.**

**Overall Conclusion**

It is quite easy to tell from the analyses of this function that, although the cost to provide Fanwood's library service is more expensive than the county average and the majority of libraries with similar characteristics, the borough is also receiving services in excess of those same entities. It is the opinion of the review team that Fanwood receives a high quality return for the amount of money that is spent on library services.

The only potential for future cost savings identified by the review team, although we did not quantify them, would be to reduce programs, cut library hours, create a shared library, or close the Fanwood library and pay another community to provide library service to Fanwood residents. Shrinking tax resources and increased costs will force discussions on those issues in future years. At some point the borough will have to decide whether it can afford the services it receives and increase its subsidy to cover the increasing costs or consider implementing one or more of the alternatives.

It is obvious how savings would occur by reducing programs or cutting library hours, but it might not be as obvious as to how savings would be achieved by creating a shared library with another community. Under this option the Fanwood library would stay open and act as a branch under the efforts of the shared administration. Fanwood would save money in that two library directors would not be needed and if it was determined that another person was needed for library coverage, the eliminated position could be replaced with a less costly librarian position. The shared library could also save money through joint purchasing efforts and, possibly, not needing to purchase as many materials for the collection. Additionally, even though Fanwood has reciprocity in place with many local libraries, sharing administration and resources with another library would also result in better service to the residents of both communities. The newly formed library alliance could coordinate its purchases to provide the patrons with the most current and diverse collection without much duplication. Finally, a shared library would be able to coordinate its employee resources and would be better served to address the staffing problem found in Fanwood, in which there are times where only one employee is working in the building.

Closing the Fanwood library and paying another municipality to provide the service was the last option presented above. This option is by far the most drastic and controversial. This is basically a last resort for the borough if it is unsuccessful in future years to contain its library costs to a level that is acceptable to the public. Services would be somewhat reduced, but the savings to the borough would be significant. Additionally, residents would have to drive farther to receive their library services.

At this time we are not advocating closing the library and paying another municipality to provide the service, as the library provides quality service to the residents and the review team heard nothing to imply that they were unwilling to pay for the service. We are only providing the municipality with topics for discussion in future years as the cost for services continue to rise while there is no room for the municipality to expand its taxable base, because of the borough being almost fully developed.

## **RECREATION**

### **Overview**

An eight-member volunteer recreation commission, as well as a paid recreation director and an assistant, serve Fanwood's recreational activities. The commission sets the policy of the recreation program, while it is the responsibility of the director to carry it out. There is, however,

no written policy, as it is an informal procedure. The 1999 expenditures from the recreation budget were approximately \$35,694, not including the budgetary line item for the celebration of public events.

In 1999, the director received salary and benefit costs totaling \$8,357, while the assistant director received \$2,070 and an additional \$1,329 for his position as supervisor of the summer program. Instructors are hired as needed to teach the fine arts and ceramic classes. Two supervisors and numerous paid counselors staff the six-week summer program. The total salary and benefit cost for the department in 1999 was approximately \$28,081. None of the recreation employees or volunteers receives any health benefits.

Other expenses include those for mileage, equipment, postage, telephones, printing, miscellaneous and programs. The other expenses for the recreation program were \$7,612 in 1999. An additional \$7,071 was spent from a separate budgetary line item to cover the costs associated with the celebration of public events.

There are two main parks within the borough's borders and a "pocket" park that was in the process of being constructed at the time of the review. LaGrande Park, one of the two main borough parks, has a building that is used by the recreation program for a few of its programs and it is utilized by the senior citizens. Many recreational activities, such as little league baseball and soccer, are provided to the residents through separate entities.

## **Revenues**

The majority of Fanwood's recreation programs are non-fee based. The major source of funding is through the municipal budget. Participants in those activities that require uniforms assume the cost of uniforms; otherwise the department does not typically charge a participation or registration fee. The Soccer League, "Sponsored by the Fanwood Recreation Commission" operates a summer camp as a Fanwood sponsored program. However, the borough does not receive any part of the \$60 per participant charge and provides no oversight to the program. In 1999, the borough received a \$5,000 grant that was received to make their playground equipment compliant with the American's with Disabilities Act (ADA).

The only programs for which a fee is charged are the fine arts and ceramics classes. As a result of charging minor fees, the ceramics classes were able to cover its direct costs (materials and instructors) in both 1998 and 1999, while the providing of fine arts classes resulted in small losses. A total of \$1,350 was collected for these two classes in 1999.

The recreation program is one area of municipal government that user fees appropriately apply, since generally only small portions of the residents utilize the programs. As a result, we feel that the borough should consider an appropriate municipal subsidy to the recreation program and have the rest of the program costs be covered through fees assessed to the program users. If the borough were to agree upon a policy that would begin by covering 25% of its total cost of \$35,693 (excluding the \$7,071 spent for the celebration of public events), the total revenue that would be realized for recreation programs would be \$8,923, or an increase of \$7,573. If we

conservatively said that 500 people utilized the recreation program, an average of \$15 per program participant would bring in the necessary revenue to cover approximately 25% of Fanwood's recreation costs.

#### **Recommendation:**

**It is recommended that Fanwood reconsider its current practice of supporting the overwhelming majority of the recreation program through tax dollars. The borough should determine an appropriate municipal subsidy to the recreation program and have the rest of the program costs be covered through user fees. While the review team supports full cost coverage through user fees, if the borough were to begin covering costs at 25%, the borough would realize a revenue enhancement of approximately \$7,573. At some point, however, total program costs should be covered through user fees.**

**Revenue Enhancement: \$7,573**

#### **Procedures for Receivables and Payables**

The review team found the recreation program's procedures for receiving funds and paying liabilities to be very informal, although, nothing was found that would imply any sort of improper/criminal money handling. For example, money is collected by the part-time instructors of some classes, instead of having a pre-registration where funds are sent to the recreation program before the classes begin. Another example is that the instructor of the ceramics class is paid from recreation funds based upon an agreed upon rate to teach the class, while the fine arts instructor is paid based upon the number of people that attend the program. Since there is no pre-registration process, the instructor is paid on a good-faith agreement, instead of a formal agreement where the instructor is paid for teaching the class and no pay is determined by how many people attend the class.

#### **Recommendations:**

**It is recommended that all fees for courses and programs are sent to the Fanwood Recreation Commission through a pre-registration process. This eliminates the "middle man" approach that is currently employed by the borough's recreation program. While there was nothing to imply any mis-management of funds, changing the way that funds are received will reduce the risk of any future problems.**

**It is recommended that the commission create a formalized process for paying its part-time instructors and helpers. Pay should be based upon time worked and/or length of classes being taught. In no way should the practice continue where instructors are paid based upon attendance recorded by the class instructor.**

#### **Programs/Participation**

The chairman and the director estimate that they serve anywhere from 1,000 to 2,000 people with their overall program, although no accurate records are kept for any of the programs or events. The programs provided by the recreation department can be categorized into active and passive



recreational activities. The active programs include programs in athletics, outdoor recreation, day camp, and youth athletics. There is an “old men” softball group, a Nike sponsored street hockey program, which is subsidized by Nike, and basketball and soccer as examples of athletics. The passive programs include activities in the area of arts and crafts, social programs such as concerts or movies, and special events such as the Easter Egg Hunt and the Halloween Parade.

Since no attendance records are accurately kept by the recreation program personnel, it was impossible for the review team to determine whether their programs are well attended. Additionally, nothing seems to be recorded as far as program costs and needs. As a result, the director and commission do not have the ability to assess their programs and make informed decisions as to a program’s successfulness and cost-effectiveness. This type of assessment would allow the commission to provide the best, most focused, programs to the residents of Fanwood.

### **Recommendations:**

**It is recommended that accurate records be kept for all programs and activities administered by the recreation program. These records should include, at a minimum, registered participants, program supply and personnel needs, program costs, and revenues received.**

**It is also recommended that the director and commission create a protocol for assessing its programs. This assessment should include, at a minimum, whether the programs met attendance goals, whether it was deemed a quality program by the attendees, and/or did the program’s revenue cover the percentage of program costs that the borough wishes to recoup. Any program that did not meet one or all of the decided upon criteria should be modified in some way to achieve the goals or be eliminated from the recreation program and be replaced with something else.**

**Consideration should also be given to utilize the recommended pre-registration process to determine whether a program or class should be provided if there are not enough people to recoup adequate program costs through user fees. For example, if the afternoon summer camp attendance has fallen to where it can not support the staff and equipment, then that portion of the program should be eliminated.**

### **“Sponsored” Events**

As was stated in an earlier paragraph, the recreation program “sponsors” a summer soccer camp. Besides putting their name down as a sponsor, Fanwood has nothing to do with the actual conducting or administering of the program. The recreation commission is familiar with the association and the individuals running the program, so they feel that their sponsorship lends some credibility to the program. In doing so, however, the commission is opening itself up to liability issues if anyone were to get hurt, abused, etc. Municipalities have to be aware of the potential liabilities that could ultimately effect them.

Since the borough does not administer the program, employ the people running the program, and does not certify and train the workers in athletic and child safety issues, it should reconsider its willingness to act as sponsor to this event and any events that it does not have direct involvement in its administration.

#### **Recommendations:**

**It is recommended that the borough reduce its liability/risk of litigation by no longer sponsoring events in which it does not have direct involvement.**

**It is also recommended that the borough ensure that all associations, leagues, and programs that utilize their facility provide the borough with the appropriate certificate of insurance.**

#### **Qualifications/Certifications**

As a result of the tremendous liabilities that a municipality opens itself up to, it needs to do everything it can to lessen the potential burden. An area where the review team found the borough to be somewhat weak was in the area of volunteer instructors and coaches.

N.J.S.A. 2A:62A-6 addresses athletics officials (and coaches) immunity. This section states that no official “shall be liable in any civil action for damages to a player... as a result of his acts of commission or omission arising out of and in the course of his rendering that service or assistance.” However, section C subsection (1) goes on to say that, “nothing in this section shall be deemed to grant immunity to any person...who has not participated in a safety orientation and training skills program which program shall include but not be limited to injury prevention and first aid procedures and general coaching concepts.”

Fanwood does not certify any of its athletic instructors or coaches except for those associated with the basketball program. As a result, according to the statute, any uncertified person that Fanwood uses as an instructor or coach can be liable for a civil action. It also seems logical that if the instructor or coach can be held liable, then the administering agency that was neglectful in its instruction / certification could also be held liable.

#### **Recommendation:**

**It is recommended that all athletic instructors and coaches be provided with the appropriate instruction/certification. Not only would that facilitate a reduction in risk to the municipality, but it would also provide for a safer environment for program participants as the instructors and coaches would be properly trained and qualified. The review team suggests that the borough investigate the coach certification clinics offered by some of the state universities.**

In addition to being properly trained and qualified, parents expect that the coaches and instructors that they entrust their children to through athletic programs are trustworthy. Although there is no way to ascertain the complete trustworthiness of an individual, the borough can ensure that its

coaches and instructors have not had criminal offenses against children or other serious offenses. This could be obtained by doing criminal background checks with the approval of the prospective coaches and instructors. Application forms requesting the signature of the applicant staff member giving permission for a criminal background check have been successfully used in other jurisdictions. As in the case for uncertified coaches, the borough is presently opening itself up to potential liability in this area.

**Recommendation:**

**It is recommended that the borough gain permission from prospective coaches to perform background checks before they are allowed to work with the children in Fanwood recreation programs.**

### **HEALTH/REGISTRAR OF VITAL STATISTICS**

The board is an autonomous body comprised of nine voting members, including two alternates, which meets once each month. The board's part-time secretary also serves as the registrar of vital statistics at a combined salary of \$7,330. She is a full-time employee whose primary title is tax collector. She estimates spending eight hours per week between registrar and board of health secretary duties, exclusive of the monthly board meetings. By consolidating these part-time jobs into a full-time position the borough has ensured that each of the functions is available to the public throughout the workweek.

The board contracts with the Westfield Regional Health Department for health services, specifically for the enforcement of local and state sanitary law at a cost of \$20,773 in 1999. Residents are able to utilize any of the clinics provided by the regional department, whether conducted in Fanwood, or elsewhere. At the annual rabies clinic, 74 pets were vaccinated. Fanwood outsources the animal control function at an annual cost of \$2,500.

They also contract with the Visiting Nurse and Health Services for nursing services at an annual cost of \$1,606 in 1999. Nurses are available from 8:30 a.m. to 4:30 p.m., Monday through Friday. Emergency nursing services are available on weekends and holidays, from 8:30 a.m. to 12:30 p.m. Services include maternal and child health services, communicable disease control, chronic disease control. Well baby clinics are provided as a part of this service. In 1999, 174 residents received flu shots and fourteen children attended the child health clinics.

The board's receipts in 1999 amounted to \$8,682 as follows:

<b>Permits &amp; Licenses</b>	<b>Number</b>	<b>Amount</b>
Food and Milk	47	\$1,815
Marriage	29	\$812
Burial	131	\$131
Copies (Marriage & Death)	1,481	\$5,924

**The borough is to be commended for maximizing the use of its resources through job consolidation, shared/regional services, and outsourcing.**

## **HISTORIC PRESERVATION**

Within the borough there is a historic preservation commission that is charged with the historic preservation of noteworthy buildings and artifacts concerning Fanwood's historic past. The commission consists of seven regular members appointed to four-year staggered terms and two alternates appointed to two-year staggered terms. Expertise on the commission ranges from interested long-time residents to a licensed architect with an interest in historic preservation. The commission has four major goals: 1) to create a historic district within the borough through the creation of a preservation ordinance; 2) to nominate historically important buildings to state and national historic registries; 3) to provide input into the activity and usage at the Carriage House; and 4) to create a "Fanwood Room" to display and store documents and artifacts important to Fanwood and its history. The commission operates under N.J.S.A. 40:55D-107 et. seq., which provides broad authority for the commission to conduct its affairs. The 1999 budget for the historic commission was \$1,000 and the funds were used to purchase a document and map case, archival materials, and books. The commission does its job with a maximum of qualified volunteers and a minimum of funding.

During 1999, the borough hired a historic preservation consultant to determine a historic district around the train station, which has significant historical value to the borough and the surrounding area. This was done to assist the commission with amending its historical preservation ordinance. The intention of the proposed ordinance change is to allow input from the commission on any proposed structural changes to any building located within the designated historical district. Under this arrangement the commission desires a cooperative venture between itself and homeowners in which it would give direction and offer its opinion on any changes and/or renovations to buildings within the district, rather than imposing mandatory guidelines or penalties. This same consultant was recently enlisted to begin the process of nominating the proposed historic district to state and national historic registries. The \$7,000 total cost of this consultant (\$3,500 for each agreement) was not paid by the commission, rather it was authorized and paid for by the borough council.

### **Recommendation:**

**While the review team can understand the commission's wishes to create a non-threatening ordinance in regards to historic preservation, we recommend that any ordinance revisions give the authority to the commission to reject any proposed alterations to buildings within the district that wholly effect the integrity of the structure and/or the historic district.**

The borough is unique in that it is one of 32 municipalities designated as a "Certified Local Government" or CLG. The CLG designation is granted by the State of New Jersey's Historic Preservation Office that is under the Division of Parks and Forestry in the Department of Environmental Protection. According to the program's informational brochure, "this program

provides valuable technical assistance and small grants to local governments seeking to preserve the physical links to our past, providing meaning to the present and continuity with the future.” As a result, it is advantageous to the borough to be certified as a CLG as it gives them access to services (i.e. engineering studies, design guidelines, and structural reports for bonding purposes) and grant funding not available to non-designated municipalities. Unless a municipality has received grant money from the program, the designation is strictly voluntary.

After the CLG designation is conferred upon a municipality, the Office of Historic Preservation must review any changes, with regard to that municipality’s preservation ordinance. In regards to Fanwood’s proposed ordinance changes, the office has found the ordinance lacking the basic criteria that is necessary to meet the Municipal Land Use Law. The adoption of such an ordinance would decertify Fanwood and make them ineligible for any technical support and/or grant money from the office. It is vital that the borough retains its certification as a CLG as money could be used for a variety of preservation projects, including portions of its downtown revitalization efforts. In discussions with the office’s director, it was noted that Fanwood has never solicited grant funding or services for any of its projects. Additionally, grant money could have been obtained to pay the \$7,000 in consultant fees that were paid in 1999 and also could have been used to offset the \$10,000 per year costs associated with the part-time person that was recently hired in 2000 to coordinate and implement a downtown revitalization plan.

#### **Recommendation:**

**The borough needs to ensure that any revisions to its historical preservation ordinance are in accordance with the requirements and recommendations of the State of New Jersey’s Office of Historic Preservation, so as to maintain its status as a certified local government and receive all of the associated benefits.**

**The borough should solicit all grant funding that is available for their various historic preservation projects. If this was done in 1999, the borough could have saved the local taxpayers \$7,000.**

**Cost Savings: \$7,000**

While the review was occurring, it became clear to the review team that the Carriage House, and its usage, was a significant issue facing the borough. The building dates back to the 1750’s and has had several uses, including its most recent use by a theater group called the Fanwood Thespians. Until recently, the building had been inconsistently maintained and renovated creating a structure with significant problems. The borough, with the assistance of grant funding, has already initiated some renovations to the building and is planning additional work. Once completed, the borough is unsure as to the best way to utilize the building. During one of the regular council agenda meetings, the commission volunteered and was selected by council to solicit input from the community to determine the best usage for the structure. The commission’s initial idea is to use the building as a cultural arts center to display artwork and use it for multi-purpose activities.

**The borough is commended for utilizing interested residents to determine potential uses for the Carriage House. It is recommended that this arrangement continues until the commission and borough can agree upon acceptable uses for the structure.**

The last goal of the commission is to create a “Fanwood Room” to display and store documents and artifacts important to Fanwood and its history. The library currently offers the commission a small space in a meeting room in the basement of the building to display its materials. The commission has concerns that the current arrangement with the library is unsuitable to their needs as it is not seen as large enough, secure, or adequately climate controlled. The commission has approached the library for additional space to showcase their materials, but it is the opinion of the review team that this request is not workable due to the overcrowding that currently exists in the library.

### III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, contract improvements are most likely to occur incrementally, through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason, we present those issues subject to collective bargaining agreements separately in this section.

#### **General**

There are two collective bargaining units in Fanwood, one representing member of the police department and the other representing members of the public works department. The extant contracts contain the usual provisions regarding management rights, grievance procedures, no-strike clauses, and a litany of employee benefits. In both cases, the provisions most important to preserving the employer's right to manage its affairs, e.g., management rights, anti-strike, etc., serve the borough well; and the grievance procedure provisions are fair, progressive and clear. Both contracts provide comprehensive benefits; and the salary guides are comparable to communities of Fanwood's size and character. There are some areas, however, that the borough should consider for revision in future negotiations.

**The borough is to be commended for successfully negotiating cost reduction measures under the police and public works contracts. In the police contract these measures include a reduced longevity schedule for new hires, a specific dollar limit on dental premiums and an expansion of the patrol officer's salary guide from five to six steps, while in the public works contract the borough was able to negotiate the elimination of longevity pay for all new hires.**

#### **POLICE (PBA LOCAL 123)**

##### **Coverage**

The current contract covers all full-time uniformed employees with the exception of the chief. As a result, supervisory personnel (e.g., captain, lieutenant, and sergeants) are in the same bargaining unit as the line officers. In quasi-military organizations like the police department, such an arrangement has the potential for undermining the command structure. It puts supervisor and employee on the same footing vis-a-vis the employer.

##### **Recommendation:**

**Consideration should be given to the establishment of a separate bargaining unit for supervisors.**

##### **Vacation**

The vacation schedule is extraordinarily generous when compared to other municipalities and the State of New Jersey's civil service schedule. Vacation days, however, are converted to eight-

hour days for all police employees, instead of granting 12-hour days off to the employees working the 4 on 4 off schedule with 12-hour days in the patrol function. Additionally, although the law permits collectively bargained agreements to provide differing benefits to different employee groups, it is generally a good practice to ensure that such differences are within reason. The gap between the police vacation schedule and that for other municipal employees, however, is unusually wide. Consideration, therefore, should be given to reducing the vacation schedule in future negotiations. The standard used by LGBR is the civil service schedule for state employees.

<b>Years of Service</b>	<b>PBA Contract</b>	<b>State of NJ</b>	<b>Estimated Current “Cost”</b>	<b>Estimated “Cost” at State Schedule</b>
1-5	15 Days	12 Days	\$17,391	\$13,913
6-10	20 Days	15 Days	\$21,250	\$15,937
11-12	25 Days	15 Days	\$27,177	\$16,306
13-15	25 Days	20 Days	\$ 8,603	\$ 6,882
16-20	30 Days	20 Days	\$20,925	\$13,950
20+	35 Days	25 Days	\$79,099	\$56,499
<b>TOTAL</b>	<b>N/A</b>	<b>N/A</b>	<b>\$174,445</b>	<b>\$123,487</b>

**Recommendation:**

**The borough should try to negotiate a vacation schedule that is similar to that of the State of New Jersey’s civil service schedule.**

**Potential Productivity Enhancement: \$50,958**

**College Credits/Educational Incentive**

Fanwood pays an incentive to its officers who have obtained college credits in criminal justice and/or public administration with a passing grade of “C” or better, according to an established schedule. Officers receive graduated annual payments for each block of 12 credits accumulated, beginning at \$180 for the first block and topping out at \$2,000 for a master’s degree. Although, this is a common feature of police contracts, it is often either a program of one-time payments or at least has an expiration provision. Fanwood’s program, however, makes such payments an annual salary enhancement. In 1999, such payments totaled \$11,100.

**Recommendation:**

**For each block of 12 credits, an officer should be paid only once. Certainly, no salary enhancement should be offered unless an officer completes and obtains a bachelor’s or an advanced degree. While it is difficult to determine the exact savings on an annual basis, we estimate that the above costs could be reduced by 50%.**

**Potential Cost Savings: \$5,550**



**Clothing Allowance**

As with most departments, officers receive a clothing allowance for the ostensible purpose of reimbursement for the additional cost they incur for dry cleaning their uniforms. Under some contracts, the amount is so disproportionate to the actual cost of dry cleaning that it becomes nothing more than additional salary. In Fanwood, however, the allowances were seen to be a realistic amount. The two employees working in the detective function receive an additional \$600 clothing allowance. Being a detective is usually an additional duty for which one is paid a stipend to purchase additional clothing, but an officer so designated normally wears a coat and tie to work. This was not the case in Fanwood.

**Recommendations:**

**If the additional payment detectives receive is to persist, then it should be provided as a separate stipend, not a clothing allowance increase.**

**Additionally, the detectives should be required to report to work in professional attire.**

**Call-back Time**

The current contract provides for a minimum of four hours pay at the overtime rate of time and one-half whenever an officer is called back to duty. The purpose of a call-back minimum is to compensate an officer for the inconvenience of being called back to work for something that might not require more than an hour's worth of actual work. Four hours, however, is disproportionate compensation. A more reasonable minimum would be two hours.

**Recommendation:**

**The minimum hours guaranteed to officers called back to duty should be reduced from four hours to two hours.**

**PUBLIC WORKS (FANWOOD PUBLIC WORKS ASSOCIATION)****Coverage**

There is no definition of the bargaining unit other than its name. There is no listing of employees, by title or otherwise, who are covered by the agreement.

**Recommendation:**

**The bargaining unit should be defined in future contracts, indicating which job titles or classifications are covered by the contract's provisions.**

**Salaries**

The contract provides that all members of the bargaining unit shall receive a 3.5% pay increase in each of the contract years, but there is no salary guide delineating the salaries for the various grades (Operators A-E, Assistant Foreman and Foreman).

**Recommendation:**

A salary guide delineating salaries by job title should be formally established in the contract.

## POLICE AND PUBLIC WORKS

**Birthdays**

The practice of providing employees times off on their birthday's serves no purpose other than to expand the annual allotment of vacation and personal time. It represents an additional 216 hours of lost man-hours between the police and public works departments. The additional "cost" in lost productivity amounts to approximately \$7,919 (\$6,610 for the police department and \$1,309 for public works).

**Recommendation:**

Employees should not be granted additional time off on their birthdays.

**Potential Productivity Enhancement: \$7,919**

**Longevity**

The longevity schedule for both departments is based upon a graduated percentage of base pay according to years of service. Although this is commonly found in collective bargaining agreements, the percentage basis effectively grants covered employees a pay increase without benefit of negotiation. As one's base pay rises, so does the attendant longevity allowance. Converting the longevity schedule to fixed-dollar amounts would provide the borough with some cost control, or at least the opportunity to negotiate any contemplated increases. The borough did manage to reduce the schedule for police hired after January 1, 1997 and to eliminate it for public works employees hired after January 1, 1995. In 1999, the cost of longevity for the police and public works employees was \$55,977. The following charts represent the current longevity percentages, costs, and proposed dollar payments:

<b>POLICE</b>					
<b>Years of Service</b>	<b>Current Longevity Percentage</b>	<b>Current Cost</b>	<b>Average Cost per Officer</b>	<b>Hypothetical Fixed Amount per Officer</b>	<b>Hypothetical Fixed Cost</b>
0 – 5	-	\$0	\$0	\$0	\$0
5 – 10	3%	\$8,974	\$1,795	\$1,000	\$5,000
10 – 15	4%	\$9,879	\$2,470	\$1,500	\$6,000
15 – 20	5%	\$6,031	\$3,016	\$2,000	\$4,000
20+	6%	\$23,286	\$3,881	\$2,500	\$15,000
<b>TOTALS</b>	<b>N/A</b>	<b>\$48,170</b>	<b>N/A</b>	<b>N/A</b>	<b>\$30,000</b>

<b>PUBLIC WORKS</b>					
<b>Years of Service</b>	<b>Current Longevity Percentage</b>	<b>Current Cost</b>	<b>Average Cost per Employee</b>	<b>Hypothetical Fixed Amount per Employee</b>	<b>Hypothetical Fixed Cost</b>
0 – 5	-	\$0	\$0	\$0	\$0
5 – 10	3%	\$1,154	\$1,154	\$1,000	\$1,000
10 – 15	4%	\$1,600	\$1,600	\$1,500	\$1,500
15 – 20	5%	\$0	\$0	\$2,000	\$0
20+	6%	\$5,053	\$2,527	\$2,500	\$5,000
<b>TOTALS</b>	<b>N/A</b>	<b>\$7,807</b>	<b>N/A</b>	<b>N/A</b>	<b>\$7,500</b>

### **Recommendations:**

**We recommend that they try to negotiate the elimination of this benefit as it is not based on employee productivity, but rather how long they have been employed.**

**Potential Cost Savings: \$55,977**

**If, however, longevity remains as an employee benefit, we recommend that it be paid in fixed dollar amounts rather than as a percentage of the base pay.**

**Potential Cost Savings: \$18,477**

### **Termination Pay**

Both contracts provide that employees who attain regular retirement shall receive either one day off or one day's pay for each year of service or credited service. At 1999 salaries, then, a police captain with 25 years' service would receive a payment of over \$11,000, and a public works foreman with comparable service would receive about \$4,600. Some sort of dollar ceiling on this benefit would provide some cost control and limit the potential disparity that currently exists.

### **Recommendation:**

**The borough should try to negotiate a limit as to what could be received from termination pay. We recommend a \$5,000 limit on these payments.**

### **Code of Ordinances**

Finally, the borough has incorporated specific contract provisions regarding employee benefits such as sick leave, vacation, longevity schedules, etc., into the borough's code of ordinances. The obvious consequence, thereof, is having to amend the code with each new contract. It would be more efficient if the code were to simply provide for employee benefits conceptually, and refer to the contract for specific terms, e.g., "...as provided by contract."

**Recommendations:**

**The next time the code of ordinances is amended to reflect changes in an employee contract, specific contract terms should be eliminated and replaced with general references to the pertinent contract.**

## **LOCAL GOVERNMENT BUDGET REVIEW**

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